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2002 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2002

Beaver County



Office of Controller

PREPARED BY RICHARD W. TOWCIMAK, CONTROLLER

Web Site: <http://co.beaver.pa.us>

County of Beaver, Pennsylvania
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2002

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RICHARD W. TOWCIMAK
CONTROLLER



VINCENT LaVALLE
DEPUTY CONTROLLER

JOHN P. DOHANICH
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700

June 26, 2003

TO THE CITIZENS OF BEAVER COUNTY,

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2002 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR consists of three major parts; the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes this transmittal letter which emphasizes significant management and financial details, the Certificate of Achievement for Financial Reporting awarded by the Government Finance Officers Association for the 2001 CAFR, an organizational chart, and a listing of principal officials and department managers. The Financial Section includes, under the new Governmental Accounting Standards Board Statement No. 34, as amended, the report of our independent auditors, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial schedules. The Statistical Section contains information of a historical nature relating to County finances, demographics, and other miscellaneous statistics for the County.

The County's financial statements have been audited by Case, Sabatini & Company, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2002, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny counties. It is 441 square miles and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 182,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships and two third class cities. Rich in resources, its location along the Ohio and Beaver rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's the County redirected its efforts to develop its riverfronts for recreational as well as manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has medical facilities available to its residents with The Medical Center, Beaver, and Aliquippa Community Hospital.

PROFILE OF BEAVER COUNTY – (Continued)

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Controller is elected as the chief financial officer of the County and is responsible for many administrative functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are six judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Prothonotary, Sheriff, Register of Wills and Clerk of the Orphans Court, Recorder of Deeds, and Jury Commissioner.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten-year terms and are subject to a retention vote after their ten-year term expires.

The County provides a full range of services to its citizens, ranging from health to law enforcement, from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding to and aid in the management of the Beaver County Transit Authority, a legally separate entity which has been included as an integral part of the County's financial statements. Additional information on this entity can be found in Note A to the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for maintaining the financial reporting system. The Controller is the supervisor of the budget. He is also responsible for auditing and payment of all county bills. In Beaver County the Controller is responsible for the payroll function as well. The Controller sits on many boards in an administrative capacity. As supervisor of the County budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins in late summer with each department receiving a budget request form to formally request operating allocations for the next fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open meetings that may be attended by the public. Once a final budget is prepared it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget adoption must be made a matter of public notice for at least ten days prior to the Commissioners' approval at a public meeting.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

FACTORS AFFECTING FINANCIAL CONDITION – (Continued)

The County never rebounded from the effects of the downturn in the Airline Industry. One of the major area employers, USAirways, has been experiencing severe financial difficulties and filed for bankruptcy. Beaver, Allegheny and Washington counties formed a coalition which is designed to assist financially, where feasible, in an attempt to retain HUB status of USAirways at Pittsburgh International Airport. Most recently, the Governor of Pennsylvania has organized a twelve member committee to negotiate with the airline in an effort to keep it from moving its HUB from Pittsburgh.

LOCAL ECONOMY

Through the efforts of the Corporation of Economic Development, which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts are made to encourage diversified job creation and private investment. A summary of those activities and involved companies include those which are listed below.

The Corporation of Economic Development (CED), assisted Non-Destructive Testing Group (NDTG) with a \$1.9 million project. The construction project consisted of a 14,000 square foot facility on two acres in the Hopewell Business and Industrial Park. The Beaver County site serves as the regional headquarters for the company. This company is a full service, certified inspection facility which specializes in laboratory inspection services with nine locations and headquarters in Caledonia, Michigan. The company serves a wide spectrum of industries including chemical, petrochemical, automotive, utility power generation, public infrastructure, transportation, medical, and aerospace.

PA Cold Drawn, LLC, located in West Mayfield, is a company which purchased the assets of Maverick Tube, a company that ceased operations three years after acquiring the former Babcock and Wilcox facility. The operation specializes in producing tubing for hydraulic cylinders, pressure tubes, special drilling applications, blanks for machined parts and drive shafts for off-road equipment. The facility was assisted with a \$1.1 million loan from Pennsylvania Industrial Development Authority (PIDA) and an Enterprise Zone (EZ) grant-to-loan in the amount of \$250,000.

Darlington Metalizing is a company in the business of vacuum metalizing. Vacuum metalizing is a process of vaporizing aluminum, gold, silver, zinc and zinc sulfide, and depositing on substrates. The end uses of this process are hot stamping, gift wrapping paper, foils, holographic materials and automotive paint and chemical coating. The company was assisted with a \$200,000 CED loan in order to purchase and install a vacuum deposition-metalizing machine and roll cutting equipment.

MICASU Tungsten manufactures a high grade tungsten powder from tungsten ore. This end product is utilized in cutting tools for machining, tips on rock drills and other wear part applications. The firm relocated from Arizona. It was granted a \$200,000 loan to purchase and install a rotary kiln processing plant and proprietary auxiliary equipment.

LOCAL ECONOMY - (Continued)

Allegheny Petroleum was assisted in its \$800,000 project which is expected to create 17 new jobs. The company blends and compounds lubricants supplied to industrial accounts. The project of leasing a 45,000 square foot facility jointly with its partner The Lubrizol Corporation is for the manufacture of viscosity modifier additives and automatic transmission fluid. It will be the Express Site for Lubrizol products east of the Mississippi.

Shasta Holdings purchased ten acres of property in the Aliquippa Industrial Park to relocate and consolidate three operations. The consolidated businesses are involved in conditioning of bar products including grinding and forging. The total project was worth \$4 million.

LONG-TERM FINANCIAL PLANNING

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED is in its 9th year of the Riverfront Development Program. The program encourages development of riverfronts along the Beaver and Ohio Rivers. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Beaver, Freedom, Greene Township and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

The Enterprise Zone (EZ) program, which is a three party partnership between the Beaver County Board of Commissioners, the Community of Economic Development (CED), and eight municipalities within the County, provides the opportunity for continued growth and development. The establishment of the EZ ensures an annual grant of \$50,000 in addition to eligibility to apply for a separate grant fund for specific projects that are undertaken by the EZ, tax credits and priority treatment for Commonwealth financing.

In an effort to provide proactive, coordinated and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network (BCISN) as part of the Commonwealth's Team Pennsylvania program. The BCISN is an organized effort of 18 public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County's industrial base and to attempt to address needs of local industry.

Another vehicle, established in an effort to ignite economic growth within the County, is the Beaver Initiative for Growth (BIG). BIG is an organization with 100 participants consisting of a variety of public agencies and private sector businesses. The group is committed to supporting long term economic development. This forum is

LONG-TERM FINANCIAL PLANNING - (Continued)

responsible for promoting economic activity through open communications between the business community and government officials on federal, state and local levels. Through communication, business needs are discussed and legislation that may help to assist those needs and concerns is considered.

Combining efforts to accomplish a goal is key in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority (IDA) are in their eighth year of a joint management services agreement. The IDA has approved over \$4 million in tax-exempt financing during the past year through which PA bond financing was made available.

By combining resources and providing efficient delivery of economic development products throughout the County effective strategies may be developed to further spur activity that will lead to job creation. The Beaver County Link is such an organization and is comprised of CED, the Beaver County Chamber of Commerce and Job Training of Beaver County. This umbrella organization can be a valuable tool for communicating the wide range of services and opportunities available to interested parties.

COUNTY DEPARTMENTAL PROJECTS

The County continues to encourage innovation and department upgrading when feasible and based upon need for improved service. During 2002, the County funded and promoted projects, which assisted in achieving the goals of efficient operation and effective government.

The County dedicated a new courthouse in January of 2003. The facility was completed in December of 2002. The facility also has a parking garage which is free for anyone visiting the courthouse vicinity. Construction of a Human Services Building has been completed to house all of the service agencies under the auspices of county government. The purpose of the state of the art facility was to provide "one stop shopping" for all services residents may require. Those agencies housed there are Children and Youth Services, Office on Aging, Childcare Resources and Mental Health & Mental Retardation. The building is scheduled to open in the spring of 2003.

CERTIFICATE OF ACHIEVEMENT

The Beaver County Controller's Office was awarded the Certificate of Achievement for excellence in financial reporting by the Government Finance Officers Association (GFOA). The award was presented for the 2001 Comprehensive Annual Financial Report. It is given to those governmental units whose annual reports meet the program requirements and it is the highest award in government financial reporting. We are proud to have received such a prestigious award and continue to strive for reporting excellence in order to meet program standards. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

CONTROLLER'S CLOSING REMARKS

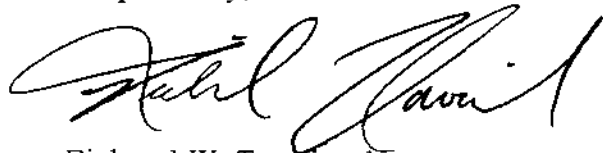
The information that is presented in this report reflects the unified effort of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals that qualify. The administration and management are dedicated in their goal to improve operations by providing the necessary tools required to accomplish a professional business environment.

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

ACKNOWLEDGMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to especially thank my Chief Deputy, Vince LaValle, my Financial Supervisor, Kristy Jenkins and all of the Controller's staff that assisted in the preparation of this report. This report and additional county information may be reviewed online by visiting our web site at <http://co.beaver.pa.us>.

Respectfully,

A handwritten signature in black ink, appearing to read "Richard W. Towcimak", written in a cursive style.

Richard W. Towcimak
Beaver County Controller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Beaver,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

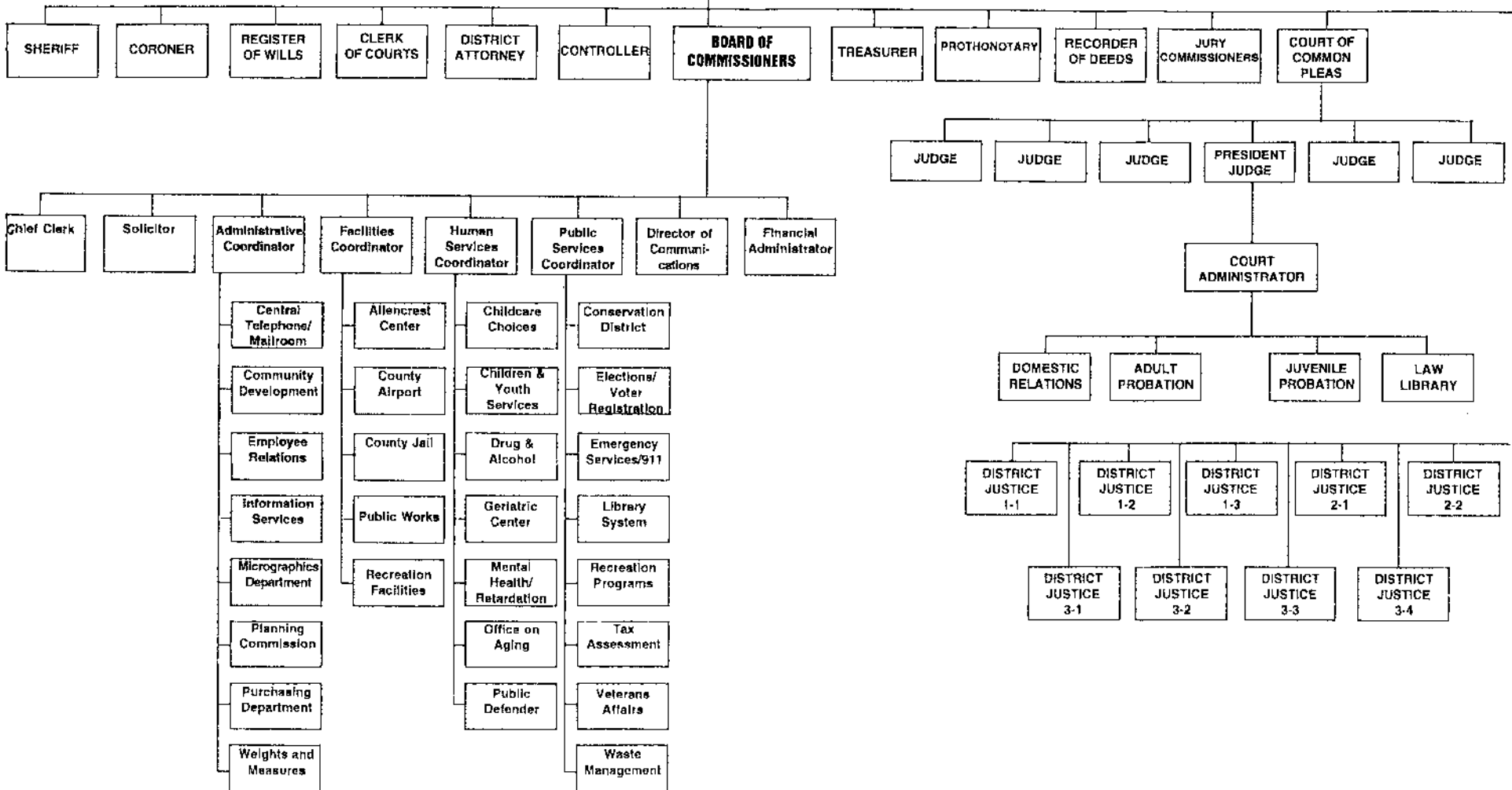


President

Executive Director

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ELECTORATE OF BEAVER COUNTY



**BEAVER COUNTY GOVERNMENT
ELECTED OFFICIALS**

BOARD OF COMMISSIONERS:	DAN DONATELLA, CHAIRMAN CHARLES CAMP, COMMISSIONER JAMES ALBERT, COMMISSIONER
CONTROLLER:	RICHARD W. TOWCIMAK
CLERK OF COURTS:	JUDY R. ENSLEN
CORONER:	WAYNE N. TATALOVICH
DISTRICT ATTORNEY:	DALE FOUSE
PROTHONOTARY:	NANCY WERME
RECORDER OF DEEDS:	JANICE JESCHKE BEALL
REGISTER OF WILLS:	CAROL RUCKERT FIORUCCI
SHERIFF:	FELIX A. DeLUCA, JR.
TREASURER:	CONNIE T. JAVENS
JURY COMMISSIONERS:	DOROTHY COLELLA NANCY LOXLEY
COURT OF COMMON PLEAS:	HON. ROBERT C. REED HON. ROBERT E. KUNSELMAN HON. PETER O. STEEGE HON. JOHN D. McBRIDE HON. GEORGE E. JAMES HON. C. GUS KWIDIS
DISTRICT JUSTICES:	HARRY E. KNAFELC 36-01-01 DONALD E. EILER 36-01-02 JAMES DiBENEDETTO 36-01-03 EDWARD C. HOWE 36-02-01 MARTIN V. SCHULTE 36-02-02 JOHN ARMOUR 36-03-01 C. DOUGLAS LOUGHNER 36-03-02 JANET SWIHART 36-03-04 JOSEPH ZUPSIC 36-03-03

DEPARTMENT MANAGERS

ADULT PROBATION	ED COLONNA
AIRPORT	BETH LaVALLE
ALLENCREST	ROBERT ROSE
ASSESSMENT/TAX CLAIM	MICHAEL KOHLMAN
FRIENDSHIP RIDGE	WILLIAM JUBECK *
CHIEF CLERK	JOANN CLARKE
CHILD CARE CHOICES	JOE PIROLI
CHILDREN AND YOUTH SERVICES	VICTOR COLONNA
COMMUNITY DEVELOPMENT	ROBERT DYSON
CONSERVATION DISTRICT	JOHN SCHERFEL
COURT ADMINISTRATOR	JOSEPH CABRAJA
DOMESTIC RELATIONS	JOE SIGNORE
ELECTIONS BUREAU	DORENE MANDITY
EMERGENCY SERVICES	RUSSELL CHIODO
FINANCIAL ADMINISTRATOR	ROB CYPHERT
DEPARTMENT OF PUBLIC WORKS	JAMES CAMP
ENGINEER (ELIMINATED 2003]	RUDY MASSA
HUMAN RESOURCES	RICHARD DARBUT
INFORMATION TECHNOLOGY	FRANK SIGNORE
JAIL WARDEN	WILLIAM SCHOUPE
JUVENILE PROBATION	ROBERT ROSE
LAW DEPARTMENT	DEBORAH KUNSELMAN
LAW LIBRARY	BETTY DENGEL
LIBRARY COMMISSION	DIANE AMBROSE
MENTAL HEALTH/MENTAL RETARDATION	GERARD MIKE
MICROGRAPHICS	CHARLES HILT
OFFICE ON AGING	BRANDON JAMES
PLANNING COMMISSION	FRANK MANCINI
PUBLIC DEFENDER	WAYNE LIPECKY
PURCHASING / MAILROOM	SAM KOVALENKO
RECREATION	TOM KING
VETERANS ADMINISTRATION	WILLIAM MUNS
VICTIM SERVICES	TERRY BRUCE
WASTE MANAGEMENT	CHARLES RAABE
WEIGHTS AND MEASURES	DAN SANTIA

* Contract with The Medical Center, Beaver.

ELECTED OFFICES

BOARD OF COMMISSIONERS

The Board of Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

CONTROLLER

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing, accounts payable and payroll. In addition, the Controller sits on many boards and is responsible for many administrative functions relating to those boards.

CLERK OF COURTS

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

CORONER

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

DISTRICT ATTORNEY

The District Attorney is the chief prosecutor for the County.

PROTHONOTARY

The Prothonotary is responsible for maintaining court records and filings relating to divorce, civil cases, filing financial statements, liens and issuing passports.

RECORDER OF DEEDS

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

ELECTED OFFICES - (Continued)

REGISTER OF WILLS

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and collecting estate taxes.

SHERIFF

The Sheriff is the chief law enforcement officer for the County.

TREASURER

The Treasurer is responsible for collecting taxes levied by the County, investing county funds and issuing licenses for small games of chance and dog permits.

JURY COMMISSIONERS

The Jury Commissioners are responsible for the jury selection process for the Court of Common Pleas.

COURT OF COMMON PLEAS

There are six judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the Court system of Beaver County.

DISTRICT JUSTICES

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations for Beaver County.

DEPARTMENT DESCRIPTIONS

ADULT PROBATION

This office administers the probation procedures as established by the Court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

AIRPORT

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administering grants that are in effect for various airport projects.

ALLENCREST JUVENILE DETENTION CENTER

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

ASSESSMENT / TAX CLAIM

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

CENTRAL TELEPHONE

This department is responsible for the maintenance and operation of the telephone communication system for the County. This department is under the management of the Chief Clerk.

CHIEF CLERK

The Chief Clerk is an administrative assistant to the Board of Commissioners.

CHILD CARE CHOICES

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

DEPARTMENT DESCRIPTIONS - (Continued)

CHILDREN AND YOUTH SERVICES

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families, as well as children with various services such as counseling and foster care.

COMMUNITY DEVELOPMENT

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

CONSERVATION DISTRICT

The agency is responsible for environmental and soil erosion programs for the County. The agency is also responsible for the administration of grant programs awarded through Federal and Commonwealth governments.

COURT ADMINISTRATOR

This administrative office of the Court manages the Court system within Beaver County. This entails all activities and responsibilities of the Court system, as well as the offices that are responsible for those activities.

INFORMATION TECHNOLOGY

This office is responsible for management information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the activity of the mailroom and central telephone system. The director is one of the coordinators that have been recently added to the organization chart of the Board of Commissioners.

DEPARTMENT OF PUBLIC WORKS

This department manages various county projects, parks, road maintenance, rodent control, buildings and grounds, minor repair, and capital projects.

DEPARTMENT DESCRIPTIONS - (Continued)

DOMESTIC RELATIONS

This court related office is responsible for providing and managing services that are under the auspices of the Court system regarding domestic (family) problems and court situations.

ELECTIONS BUREAU

This office is responsible for all activities involving primary, general and special elections within Beaver County.

EMERGENCY SERVICES

This office is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

FINANCIAL ADMINISTRATOR

This individual is responsible for the preparation of the County's budget.

JAIL

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the Court. The warden is one of the coordinators recently added to the organization chart of the Board of Commissioners

DEPARTMENT DESCRIPTIONS - (Continued)

HUMAN RESOURCES

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are employee hiring, discharge, rehabilitation efforts, administering EEOC compliance, and labor relations activities.

LAW DEPARTMENT

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all county offices and departments with legal expertise.

LIBRARY COMMISSION

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Commonwealth, Federal and County funds.

MAIL ROOM

This department is responsible for mail distribution for the County and is under the management of the Information Technology department.

MENTAL HEALTH / RETARDATION

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, mental retardation, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding. The director is one of the coordinators recently added to the organization chart of the Board of Commissioners.

MICROGRAPHICS

This department provides microfilming services and record assistance to all Beaver County offices.

DEPARTMENT DESCRIPTIONS - (Continued)

OFFICE ON AGING

This agency is responsible for administering all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding provided by the County, Federal and Commonwealth governments.

PLANNING COMMISSION

This commission is responsible for all programs that involve County development for future economic growth and maintaining vital statistics for the County and assisting the Board of Commissioners in all phases of planning needs. This department is also responsible for supervising all engineering requirements of the County.

PUBLIC DEFENDER

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

PURCHASING

This department is responsible for all procurement for the County. In addition it is responsible for maintaining all records for fixed assets.

RECREATION AND TOURISM PROMOTION

This department is responsible for administering all recreational programs offered by the County, management of County recreational facilities, and promoting tourism within the County.

VETERANS AFFAIRS

This department provides services and information to veterans and their families concerning benefits and it administers the Commonwealth, Federal and County laws pertaining to burial of deceased veterans and their spouses.

DEPARTMENT DESCRIPTIONS - (Continued)

VICTIM WITNESS

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

WASTE MANAGEMENT

This department manages the recycling program for Beaver County.

WEIGHTS AND MEASURES

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and offering the necessary certifications of compliance.



CASE | SABATINI

PROFESSIONAL ACCOUNTING,
CONSULTING & BUSINESS
ADVISORY SERVICES

June 26, 2003

The Board of County Commissioners
and the Beaver County Controller
County of Beaver
Beaver, Pennsylvania

P.O. BOX 10885
WHITEHALL TOWERS
470 STREETS RUN ROAD
PITTSBURGH, PA 15236-2023

TELEPHONE: (412) 881-4411
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaver County, Pennsylvania (the County) as of December 31, 2002, and for the year then ended, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of the Beaver County Transit Authority. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaver County Transit Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A to the basic financial statements, during the year ended December 31, 2002, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures," and Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 26, 2003, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 22 through 33 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 93 through 95 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons of the nonmajor special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparisons of the nonmajor special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Carr, Salter & Company

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The Community College of Beaver County was taken under the auspices of the County's government during 2002. The County funded its operations by providing approximately \$900,000 during the year (Note A).
- The County's real property tax rate was maintained at 15.7 mills.
- In the face of a 1.3% rise in the rate of unemployment, tax collections increased approximately \$2.2 million.
- The County maintained an investment grade bond rating of AAA insured from Standard & Poors.
- Operating grants and contributions for governmental activities increased approximately \$5.1 million.
- Investment income for governmental and business-type activities decreased approximately \$2 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* provides information showing how the County's assets have changed during the current year. It reports the availability of assets for future use and is an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of government.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are

reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government, judicial, public safety, public works and enterprise, culture, recreation, conservation, and human services. The business-type activities of the County are Friendship Ridge, Emergency Services, and Health Choices.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate entity, the Beaver County Transit Authority, for which the County provides a subsidy and appoints its board. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 34-37 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. This fund grouping is used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately after both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, a statement provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains sixteen individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the

governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, and the 1996 Bond Issue, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The County adopts an annual appropriated budget for its governmental funds.

The basic governmental funds financial statements can be found on pages 38-43 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Friendship Ridge, Emergency Services, and Health Choices. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses an internal service fund to account for the medical benefits of the County's employees. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and for Health Choices, both of which are considered to be major funds of the County, and for Emergency Services, which is a non-major fund. The proprietary funds' financial statements also provide separate information for the County's internal service fund.

The basic proprietary funds' financial statements can be found on pages 44-49 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 50-51 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 52-91 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits

to its employees and budgetary comparison statements for the general fund and major special revenue funds which have been provided to demonstrate compliance with the budget.

Required supplementary information can be found on pages 92-95 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund schedules can be found on pages 96-139 of this report.

Government-wide Financial Analysis

As noted earlier in the letter of transmittal, the County's financial statements have been prepared for the first time under the new reporting model. As such, data is unavailable from the prior year for comparative purposes. In the future, condensed financial information will be presented for both the current and prior periods.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total assets exceeded liabilities by \$38,860,640.

County of Beaver's Statement of Net Assets

The following is a summary of the County's Statement of Net Assets as of December 31, 2002:

	Governmental <u>Activities</u>	% of Total <u>Assets</u>	Business- type <u>Activities</u>	% of Total <u>Assets</u>	<u>Total</u>
<i>Assets:</i>					
Current and Other Assets	\$ 34,270,017	31%	\$ 28,013,235	68%	\$ 62,283,252
Capital Assets	<u>76,769,777</u>	69%	<u>13,436,084</u>	32%	<u>90,205,861</u>
	111,039,794	100%	41,449,319	100%	152,489,113
<i>Liabilities:</i>					
Long-Term Liabilities Outstanding	86,813,163	78%	5,162,295	12%	91,975,458
Other Liabilities	<u>16,523,109</u>	15%	<u>5,129,906</u>	12%	<u>21,653,015</u>
	103,336,272		10,292,201		113,628,473
<i>Net Assets:</i>					
Invested in Capital Assets, net of related debt	3,203,947	3%	8,273,789	20%	11,477,736
Restricted	-	-	11,901,724	29%	11,901,724
Unrestricted	<u>4,499,575</u>	4%	<u>10,981,605</u>	27%	<u>15,481,180</u>
	<u>\$ 7,703,522</u>		<u>\$ 31,157,118</u>		<u>\$ 38,860,640</u>

The County continues to maintain significant balances of net assets, however these assets are largely restricted for specific legal purposes. Unrestricted net assets in the governmental activities represent assets available to fund general activities of the County. The availability of net assets for operational use enables the County to fund projects undertaken by different departments such as imaging systems in the Micrographics department, upgrading computer systems within the Bureau of Elections and a check printer enabling in house production of payroll and accounts payable checks from blank paper. These are all examples of how the County makes further operational progress from the use of available assets.

County of Beaver's Statement of Activities

The following summarizes the County's Statement of Activities for the year ended December 31, 2002.

	Governmental Activities	% of Total Revenue	Business-type Activities	% of Total Revenue	Total
<i>Program Revenues:</i>					
Fees and Charges	\$ 9,939,726	9.3%	\$ 51,766,046	99.3%	\$ 61,705,772
Operating Grants and Contributions	63,124,529	60.5%	-	-	63,124,529
<i>General Revenues:</i>					
Real Estate Taxes	31,172,720	29.0%	-	-	31,172,720
Investment Income	1,344,331	1.2%	340,188	0.6%	1,684,519
Unrestricted Gifts	<u>-</u>	-	<u>13,011</u>	0.1%	<u>13,011</u>
	105,581,306	100%	52,119,245	100%	157,700,551
<i>Program Expenses:</i>					
General Government	10,109,241	9.6%	-	-	10,109,241
Judicial	12,259,262	11.6%	-	-	12,259,262
Public Safety	11,840,973	11.3%	-	-	11,840,973
Public Works and Enterprises	14,271,672	13.5%	-	-	14,271,672
Culture, Recreation and Conservation	3,349,113	3.1%	-	-	3,349,113
Human Services	56,843,130	53.8%	-	-	56,843,130
Miscellaneous	592,953	0.5%	-	-	592,953
Interest Expense	3,922,308	3.8%	251,026	0.5%	4,173,334
Friendship Ridge	-	-	41,598,201	79.8%	41,598,201
Emergency Services	-	-	1,908,355	3.7%	1,908,355
Health Choices	<u>-</u>	-	<u>11,432,082</u>	21.9%	<u>11,432,082</u>
Total Expenses	113,188,652	107.2%	55,189,664	105.9%	168,378,316
Deficiency Before Other Items and Transfers	(7,607,346)	(7.2%)	(3,070,419)	(5.9%)	(10,677,765)
Gain on Disposals	700,010	0.7%	-	-	700,010
Transfers Out	(1,212,351)	(1.1%)	-	-	(1,212,351)
Transfers In	<u>1,090,604</u>	1.0%	<u>121,747</u>	0.2%	<u>1,212,351</u>
Change in Net Assets	(7,029,083)	(6.6%)	(2,948,672)	(5.7%)	(9,977,755)
Net Assets - Beginning	<u>14,732,605</u>	14.0%	<u>34,105,790</u>	65.4%	<u>48,838,395</u>
Net Assets - Ending	<u>\$ 7,703,522</u>	7.4%	<u>\$ 31,157,118</u>	59.7%	<u>\$ 38,860,640</u>

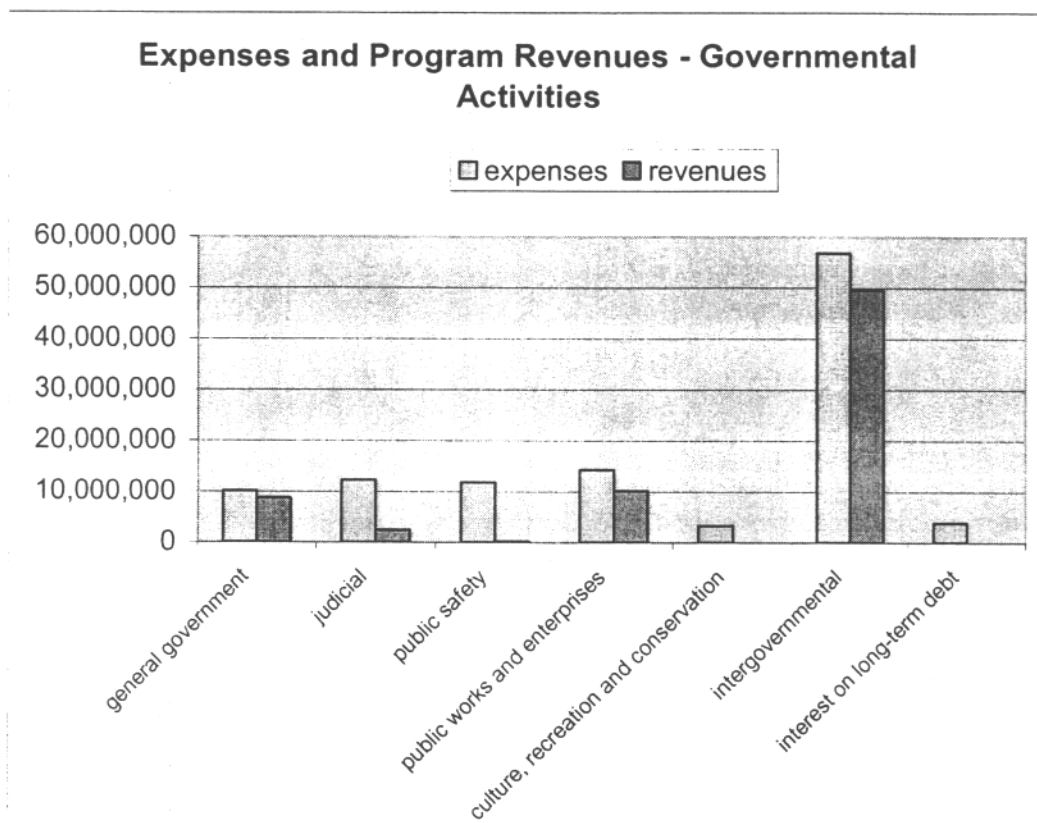
The County's expenses cover a range of services. The largest share of expenses was incurred by human services and Friendship Ridge.

Analysis of Changes in Net Assets

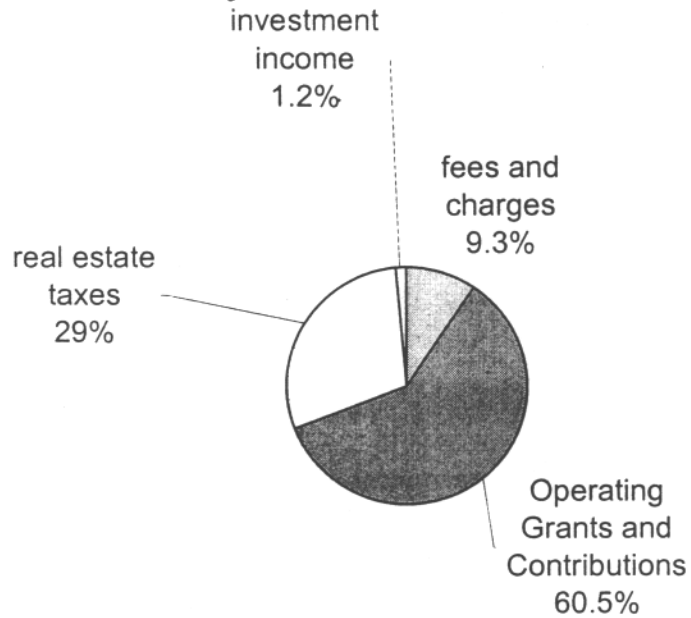
The County's net assets decreased by \$9,977,755 for the year ended December 31, 2002. This decrease is explained in the governmental and business-type discussion below.

Governmental Activities

Governmental Activities decreased the County's net assets by \$7,029,083. Key elements of the decrease are a result of lower investment income and higher expenses for providing human services.



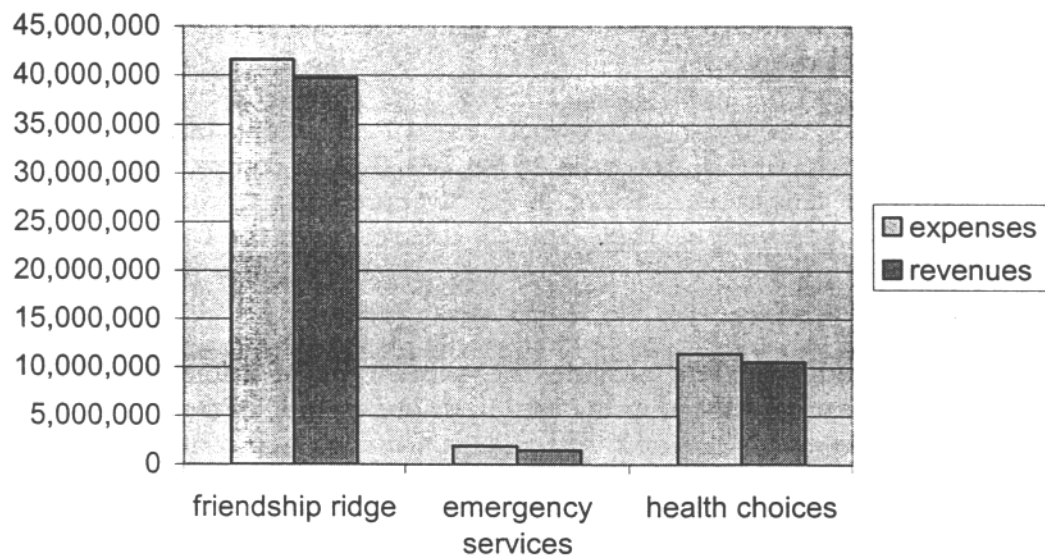
Revenues by Source - Governmental Activities



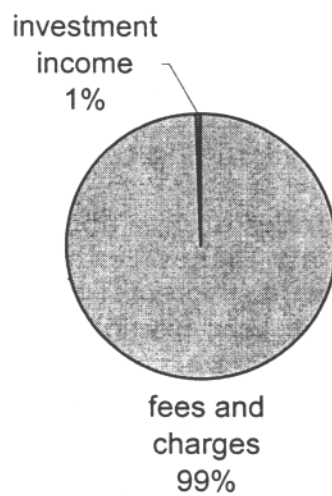
Business-type Activities

Business-type activities decreased the County's net assets by \$2,948,672 for the year ended December 31, 2002. Key elements of the decrease are a result of lower investment income and an increase in operating expenses.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the County's Individual Funds

Governmental Funds

The focus of the County's Governmental Funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2002, the County's Governmental Funds reported a combined ending fund balance of \$17,878,556, a decrease of \$8,731,097 in comparison to the previous year. \$15,721,685 of this total amount or 88 % represents unreserved fund balance, which is available for spending at the County's discretion in the coming year.

Proprietary Funds

The County's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Friendship Ridge had a decrease in net assets of \$1,880,552 and Health Choices had a decrease in net assets of \$640,894.

Fiduciary Funds

The County maintains Fiduciary Funds for the Pension Trust Fund and several agency funds. Net assets of the Pension Trust Fund decreased by \$7,265,002, due in large part to a decrease in the fair value of investments.

General Fund Budgetary Highlights

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. For example, real estate taxes were reported \$46,408 under budget. At the same time, the County had experienced an increase in unemployment as reported in an earlier section of the MD&A. This increase affected some residents' ability to pay the tax. Therefore, taxes did come under budget.

Intergovernmental revenues were under budget approximately \$600,000 for the year. In preparing the budget, the County makes certain assumptions as well as using statistical techniques to provide the best forecast possible for budget purposes. The County assumed that grants for the year would remain relatively stable. However, there were human service grants that were not available even though anticipated at the time of budget preparation. Further, the timing of the grants awarded and received played a role in the under-budget situation at year end. The County operates on a calendar year whereas the service agencies operate on a fiscal year beginning July 1 and ending June 30. The timing issue and change in grant status contributed greatly to the decrease.

In the area of charges for services and facilities, the County experienced an approximate \$1 million over-budget situation. The over-budget may be attributed to increases in fees charged for governmental services provided by the County in addition to automation fees that are collected as established by statute. The statute permits the County to charge users a fee over and above the governmental charge for services which have been rendered. The fee may be used for the purchase of equipment that will be used in government operation.

General Fund expenses ended approximately \$3 million under budget. The County had operated fiscally prudent with each department manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation. The net result was a savings which enabled the County not to raise taxes for 2003. The current millage for Beaver County is 15.7.

County of Beaver's Capital Assets (net of depreciation)

What follows is a summary of the County's capital assets as of December 31, 2002.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 1,874,354	\$ 42,075	\$ 1,916,429
Buildings and Improvements	68,980,223	3,515,865	72,496,088
Vehicles	259,067	-	259,067
Furniture and Equipment	4,387,184	9,878,144	14,265,328
Infrastructure	<u>1,268,949</u>	<u>-</u>	<u>1,268,949</u>
Total	<u>\$76,769,777</u>	<u>\$13,436,084</u>	<u>\$90,205,861</u>

Additional information on the County's capital assets can be found in Note F on pages 75-78 of this report.

Outstanding Debt, at Year End

The County continued to make principal and interest payments on its existing long-term debt as scheduled. There were not any new bond issues for the year ended December 31, 2002; however, additional long-term debt was issued for the construction of the parking garage. Refer to note I for further details.

Here is a summary of the County's long-term debt at December 31, 2002:

Governmental activities	
General obligation debt	\$70,876,859
Other long-term debt	<u>4,325,000</u>
Governmental activities	75,201,859
Business-type activities	<u>5,170,000</u>
Total	<u>\$ 80,371,859</u>

The County's general obligation bond rating is 'AAA' insured from Standard and Poors. More detailed information about the County's long-term liabilities can be found in Note I on pages 83-89 of this report.

During 2002, the County guaranteed \$12,190,000 for the Pennsylvania Finance Authority's Guaranteed Lease Revenue Bonds, Series A of 2002 (\$7,865,000) and Series B of 2002 (\$4,325,000). The issuance was utilized to finance the parking garage and human services building.

Economic Factors

The economy of Beaver County has experienced a steady decline beginning with the slump in the airline industry dating back to September 11, 2001. The leading employer in Beaver County is USAirways and that had a severe, negative impact on employment opportunities. Efforts are continually made through County agencies to encourage economic development with low interest loans to existing businesses. The County has contracted with a marketing firm to promote the economic resources and benefits of locating their operations within Beaver County.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller
Beaver County Courthouse
810 Third Street
Beaver, Pennsylvania, 15009-2196

BASIC FINANCIAL STATEMENTS

County of Beaver, Pennsylvania

STATEMENT OF NET ASSETS
December 31, 2002 or June 30, 2002

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 14,933,283	\$ 4,617,168	\$ 19,550,451
Restricted Cash	-	12,069,234	12,069,234
Investments	12,010,804	4,136,114	16,146,918
Receivables	6,528,741	6,668,403	13,197,144
Internal Balances	284,172	(284,172)	-
Supplies	-	301,413	301,413
Prepaid Expenses	54,789	411,145	465,934
Other Assets	458,228	93,930	552,158
Land	1,874,354	42,075	1,916,429
Buildings and Improvements	80,937,016	9,120,764	90,057,780
Vehicles	2,368,726	-	2,368,726
Furniture and Equipment	12,071,355	26,968,318	39,039,673
Infrastructure	1,281,767	-	1,281,767
Accumulated Depreciation	(21,763,441)	(22,695,073)	(44,458,514)
TOTAL ASSETS	<u>\$ 111,039,794</u>	<u>\$ 41,449,319</u>	<u>\$ 152,489,113</u>
LIABILITIES			
Accounts Payable and other current liabilities			
Accounts Payable	\$ 9,353,402	\$ 1,320,458	\$ 10,673,860
Compensated Absences	2,876,987	460,000	3,336,987
Accrued Interest	914,977	95,346	1,010,323
Accrued Other Liabilities	128,539	431,589	560,128
Resident Funds	-	167,510	167,510
Deferred Revenues	2,600,320	90,006	2,690,326
Accrued Healthcare Costs	648,884	2,564,997	3,213,881
Noncurrent Liabilities			
Due within one year	2,244,435	563,755	2,808,190
Due in more than one year	84,568,728	4,598,540	89,167,268
TOTAL LIABILITIES	<u>\$ 103,336,272</u>	<u>\$ 10,292,201</u>	<u>\$ 113,628,473</u>
NET ASSETS			
Invested in Capital Assets net of related debt	3,203,947	\$ 8,273,789	\$ 11,477,736
Restricted for:			
Restricted Fund	-	1,500,000	1,500,000
Risk and Contingency	-	2,500,000	2,500,000
Reinvestment	-	7,901,724	7,901,724
Unrestricted	4,499,575	10,981,605	15,481,180
TOTAL NET ASSETS	<u>\$ 7,703,522</u>	<u>\$ 31,157,118</u>	<u>\$ 38,860,640</u>

Component Unit
Beaver County
Transit Authority
as of
June 30, 2002

\$	541,464
	310,000
	-
	4,200,813
	-
	19,946
	235,841
	-
	3,286,121
	11,700,970
	9,434,608
	1,180,132
	-
	(5,167,758)
	<u>25,742,137</u>
\$	<u>25,742,137</u>

\$	347,123
	-
	-
	68,688
	-
	1,260,624
	-
	2,500,000
	-
\$	<u>4,176,435</u>

\$	17,934,073
	-
	-
	-
	3,631,629
\$	<u>21,565,702</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2002 or June 30, 2002

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 10,109,241	\$ 6,007,415	\$ 2,780,217	\$ -
Judicial	12,259,262	298,890	2,180,127	-
Public Safety	11,840,973	-	161,308	-
Public Works and Enterprises	14,271,672	610,169	9,568,041	-
Culture, Recreation and Conservation	3,349,113	-	-	-
Intergovernmental				
Human Services	56,843,130	1,196,109	48,434,836	-
Miscellaneous	592,953	1,827,143	-	-
Interest Expense	3,922,308	-	-	-
Total Governmental Activities	<u>113,188,652</u>	<u>9,939,726</u>	<u>63,124,529</u>	<u>-</u>
Business-Type Activities				
Friendship Ridge	41,598,201	39,690,062	-	-
Emergency Services	1,908,355	1,492,892	-	-
Health Choices	11,432,082	10,583,092	-	-
Interest Expense	251,026	-	-	-
Total Business-Type Activities	<u>55,189,664</u>	<u>51,766,046</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 168,378,316</u>	<u>\$ 61,705,772</u>	<u>\$ 63,124,529</u>	<u>\$ -</u>
Component Unit:				
Beaver County Transit Authority	<u>7,123,882</u>	<u>1,189,286</u>	<u>4,155,613</u>	<u>7,865,959</u>
TOTAL COMPONENT UNIT	<u>\$ 7,123,882</u>	<u>\$ 1,189,286</u>	<u>\$ 4,155,613</u>	<u>\$ 7,865,959</u>

General Revenues:
Real Estate Taxes
Investment Income
Unrestricted Gifts
Gain on Disposals
Transfers Out
Transfers In

Total General Revenues
and Transfers

Change in Net Assets

Net Assets - Beginning (Note A)

Net Assets - Ending

Net (Expenses) Revenues and Change in Net Assets			Componet Unit Beaver County Transit Authority as of June 30, 2002
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (1,321,609)	\$ -	\$ (1,321,609)	\$ -
(9,780,245)	-	(9,780,245)	-
(11,679,665)	-	(11,679,665)	-
(4,093,462)	-	(4,093,462)	-
(3,349,113)	-	(3,349,113)	-
(7,212,185)	-	(7,212,185)	-
1,234,190	-	1,234,190	-
(3,922,308)	-	(3,922,308)	-
(40,124,397)	-	(40,124,397)	-
-	(1,908,139)	(1,908,139)	-
-	(415,463)	(415,463)	-
-	(848,990)	(848,990)	-
-	(251,026)	(251,026)	-
-	(3,423,618)	(3,423,618)	-
\$ (40,124,397)	\$ (3,423,618)	\$ (43,548,015)	\$ -
-	-	-	6,086,976
\$ -	\$ -	\$ -	\$ 6,086,976
31,172,720	-	31,172,720	-
1,344,331	340,188	1,684,519	4,132
-	13,011	13,011	-
700,010	-	700,010	-
(1,212,351)	-	(1,212,351)	-
1,090,604	121,747	1,212,351	-
33,095,314	474,946	33,570,260	4,132
(7,029,083)	(2,948,672)	(9,977,755)	6,091,108
14,732,605	34,105,790	48,838,395	15,474,594
\$ 7,703,522	\$ 31,157,118	\$ 38,860,640	\$ 21,565,702

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2002**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,056,757	\$ 5,670,366	\$ 1,263,148
Investments	1,576,352	-	-
Receivables	1,144,550	798,343	704,599
Due From Other Funds	2,424,030	-	-
TOTAL ASSETS	<u>\$ 6,201,689</u>	<u>\$ 6,468,709</u>	<u>\$ 1,967,747</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,052,766	\$ 3,855,698	\$ 490,995
Due to Other Funds	1,294	116,165	1,166,103
Accrued Wages and Payroll Costs	992,448	-	-
Accrued Other Liabilities	128,539	-	-
Deferred Revenues	15,000	1,868,184	-
TOTAL LIABILITIES	3,190,047	5,840,047	1,657,098
FUND BALANCES			
Reserved for Encumbrances	112,070	113,506	84,464
Reserved for Restricted Purpose	-	-	-
Unreserved, Undesignated			
General Fund	2,899,572	-	-
Special Revenue Funds	-	515,156	226,185
Capital Projects Funds	-	-	-
TOTAL FUND BALANCES	<u>3,011,642</u>	<u>628,662</u>	<u>310,649</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,201,689</u>	<u>\$ 6,468,709</u>	<u>\$ 1,967,747</u>

<u>1996 Bond Issue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
\$ 32,589	\$ 6,543,219	\$ 14,566,079
9,436,516	997,936	12,010,804
-	1,439,229	4,086,721
206,485	-	2,630,515
<u>\$ 9,675,590</u>	<u>\$ 8,980,384</u>	<u>\$ 33,294,119</u>
\$ 808,055	\$ 2,140,399	\$ 9,347,913
266	1,062,515	2,346,343
-	-	992,448
-	-	128,539
-	717,136	2,600,320
808,321	3,920,050	15,415,563
1,199,639	647,192	2,156,871
-	-	-
-	-	2,899,572
-	3,672,016	4,413,357
7,667,630	741,126	8,408,756
<u>8,867,269</u>	<u>5,060,334</u>	<u>17,878,556</u>
<u>\$ 9,675,590</u>	<u>\$ 8,980,384</u>	<u>\$ 33,294,119</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2002**

		Total Governmental Fund
		<hr/>
TOTAL FUND BALANCES		\$ 17,878,556
Expenditures of the current period which benefit future periods are reported as prepaid expense in the statement of net assets.		23,781
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are not recognized in the funds.		2,206,346
Costs associated with the issuance of bonds are deferred in the statement of net assets and reported as Other Assets, net of accumulated amortization.		458,228
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,874,354	
Buildings and improvements	80,937,016	
Vehicles	2,368,726	
Furniture and equipment	12,071,355	
Infrastructure	1,281,767	
Accumulated depreciation	<u>(21,763,441)</u>	76,769,777
Accrued interest and accrued vacation payable are not recognized in governmental funds.		
Accrued interest payable	(914,977)	
Accrued vacation payable	<u>(1,884,539)</u>	(2,799,516)
Noncurrent liabilities not due and payable in the current period, and therefore, not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	(70,876,859)	
Other general long-term liabilities - PFA Series 2002 Bonds	(4,325,000)	
Capital lease obligations	(8,699,804)	
Swaption	(1,511,500)	
Accrued sick payable	<u>(1,400,000)</u>	(86,813,163)
An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		<u>(20,487)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 7,703,522</u></u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2002

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
REVENUES			
Real Estate Taxes	\$ 31,715,029	\$ -	\$ -
Licenses and Permits	112,552	-	-
Interest and Rents	768,530	128,785	29,714
Intergovernmental Revenues	2,780,217	27,518,823	10,900,330
Charges for Services and Facilities	5,754,603	-	-
Project Income	82,635	971,488	216,568
Miscellaneous	<u>1,051,528</u>	<u>722,606</u>	<u>114</u>
TOTAL REVENUES	42,265,094	29,341,702	11,146,726
EXPENDITURES			
Current			
General Government	8,762,175	-	-
Judicial	8,967,695	-	-
Public Safety	10,952,498	-	-
Public Works and Enterprises	3,292,341	-	-
Culture, Recreation and Conservation	3,098,146	-	-
Intergovernmental			
Human Services	4,476,794	30,118,716	11,888,685
Miscellaneous	592,953	-	-
Debt Service			
Principal	1,905,000	-	-
Interest	3,447,171	-	-
Capital Outlay			
Infrastructure	82,600	-	-
Fixed Asset Acquisition and Improvements	<u>9,039,229</u>	<u>82,790</u>	<u>20,630</u>
TOTAL EXPENDITURES	<u>54,616,602</u>	<u>30,201,506</u>	<u>11,909,315</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,351,508)	(859,804)	(762,589)
OTHER FINANCING SOURCES (USES)			
Capital leases	8,699,804	-	-
Sales of capital assets	710,005	-	-
Swaption payment	1,511,500	-	-
Transfers from Other Funds	546,604	-	-
Transfers to Other Funds	(665,747)	-	-
Proceeds of Long-Term Debt	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,802,166</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,549,342)	(859,804)	(762,589)
Fund Balance - Beginning (Note A)	<u>4,560,984</u>	<u>1,488,466</u>	<u>1,073,238</u>
Fund Balance - Ending	<u>\$ 3,011,642</u>	<u>\$ 628,662</u>	<u>\$ 310,649</u>

1996 Bond Issue	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 31,715,029
-	-	112,552
275,120	135,204	1,337,353
206,485	21,718,674	63,124,529
-	-	5,754,603
-	974,737	2,245,428
-	<u>52,895</u>	<u>1,827,143</u>
481,605	22,881,510	106,116,637
-	3,409	8,765,584
-	3,015,454	11,983,149
-	87,763	11,040,261
162,445	10,112,198	13,566,984
-	-	3,098,146
-	10,052,174	56,536,369
-	-	592,953
-	-	1,905,000
-	-	3,447,171
360,603	838,564	1,281,767
<u>4,831,911</u>	<u>3,780,352</u>	<u>17,754,912</u>
<u>5,354,959</u>	<u>27,889,914</u>	<u>129,972,296</u>
(4,873,354)	(5,008,404)	(23,855,659)
-	-	8,699,804
-	-	710,005
-	-	1,511,500
-	544,000	1,090,604
-	(546,604)	(1,212,351)
-	<u>4,325,000</u>	<u>4,325,000</u>
-	<u>4,322,396</u>	<u>15,124,562</u>
(4,873,354)	(686,008)	(8,731,097)
<u>13,740,623</u>	<u>5,746,342</u>	<u>26,609,653</u>
<u>\$ 8,867,269</u>	<u>\$ 5,060,334</u>	<u>\$ 17,878,556</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2002**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (8,731,097)
Some expenditures in governmental funds benefit future periods, and therefore, are not reported as expenditures in the statement of activities.		23,781
Revenue timing differences resulted in lesser revenue for real estate taxes in the statement of activities.		(542,309)
Government funds report the effect of issuances costs when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		(13,772)
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	19,036,679	
Depreciation expense	<u>(3,401,266)</u>	15,635,413
2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets.		(9,995)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Changes in accrued interest payable	(52,977)	
Changes in accrued vacation payable	<u>(233,689)</u>	(286,666)
The difference due to Non-current liabilities are:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payments	1,905,000	
Accrued interest on zero-coupon bonds	(422,160)	
Proceeds of long-term debt issue	(4,325,000)	
Other financing sources - capital leases	<u>(8,699,804)</u>	(11,541,964)
2. Revenues are not recognized in the statement of activities until earned. The proceeds of the swaption are deferred and reported as a non-current liability in the statement of net assets.		(1,511,500)
3. The expense for sick leave does not require the use of current financial resources. Accrued sick leave is reported as a non-current liability in the statement of net assets.		(200,000)
An internal service fund is used by management to account for medical benefits of the County employees. The net gain of the activity of the internal service is reported with governmental activities.		
		<u>149,026</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ (7,029,083)</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2002**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services 911	Totals	Risk Management Fund
ASSETS					
Current assets:					
Cash and Cash Equivalents	\$ 2,837,520	\$ 1,321,078	\$ 458,570	\$ 4,617,168	\$ 367,204
Restricted Cash	167,510	11,901,724	-	12,069,234	-
Receivables	6,465,468	83,955	118,980	6,668,403	235,674
Due from Other Funds	-	1,294	-	1,294	-
Supplies	301,413	-	-	301,413	-
Prepaid Expenses	143,054	268,091	-	411,145	31,008
Total current assets	<u>9,914,965</u>	<u>13,576,142</u>	<u>577,550</u>	<u>24,068,657</u>	<u>633,886</u>
Non-current assets:					
Investments	4,136,114	-	-	4,136,114	-
Land	42,075	-	-	42,075	-
Buildings and Improvements	9,120,764	-	-	9,120,764	-
Furniture and Equipment	24,923,881	80,915	1,963,522	26,968,318	-
Less Accumulated Depreciation	(21,303,367)	(19,164)	(1,372,542)	(22,695,073)	-
Other Assets	93,930	-	-	93,930	-
Total non-current assets	<u>17,013,397</u>	<u>61,751</u>	<u>590,980</u>	<u>17,666,128</u>	<u>-</u>
TOTAL ASSETS	\$ 26,928,362	\$ 13,637,893	\$ 1,168,530	\$ 41,734,785	\$ 633,886
LIABILITIES					
Current liabilities:					
Accounts Payable	\$ 1,197,972	\$ 122,048	\$ 438	\$ 1,320,458	\$ 5,489
Compensated Absences	460,000	-	-	460,000	-
Due to Other Funds	-	-	285,466	285,466	-
Accrued Interest	87,874	-	7,472	95,346	-
Accrued Other Liabilities	379,219	52,370	-	431,589	-
Resident Funds	167,510	-	-	167,510	-
Deferred Revenues	90,006	-	-	90,006	-
Accrued Healthcare Costs	1,064,997	1,500,000	-	2,564,997	648,884
Bonds Payable	390,000	-	-	390,000	-
Capital Lease Payable	-	-	173,755	173,755	-
Total current liabilities	<u>3,837,578</u>	<u>1,674,418</u>	<u>467,131</u>	<u>5,979,127</u>	<u>654,373</u>
Noncurrent liabilities					
Bonds Payable	4,598,540	-	-	4,598,540	-
TOTAL LIABILITIES	8,436,118	1,674,418	467,131	10,577,667	654,373
NET ASSETS					
Invested in Capital Assets, net of related debt	7,794,813	61,751	417,225	8,273,789	-
Restricted	-	-	-	-	-
Reserve for Restricted Fund	-	1,500,000	-	1,500,000	-
Reserve for Risk and Contingency	-	2,500,000	-	2,500,000	-
Reserve for Reinvestment	-	7,901,724	-	7,901,724	-
Unrestricted	<u>10,697,431</u>	<u>-</u>	<u>284,174</u>	<u>10,981,605</u>	<u>(20,487)</u>
TOTAL NET ASSETS	\$ 18,492,244	\$ 11,963,475	\$ 701,399	\$ 31,157,118	\$ (20,487)

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2002

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund Risk Management Fund
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services 911	Totals	
OPERATING REVENUES					
Charges for Services	\$ 39,690,062	\$ 10,583,092	\$ 1,492,892	\$ 51,766,046	\$ 5,900,263
OPERATING EXPENSES					
Costs of Services	38,148,843	10,178,293	344,006	48,671,142	5,186,259
Administrative	2,036,160	1,241,410	1,264,306	4,541,876	571,956
Depreciation	1,413,198	12,379	300,043	1,725,620	-
Total Operating Expenses	41,598,201	11,432,082	1,908,355	54,938,638	5,758,215
OPERATING INCOME (LOSS)	(1,908,139)	(848,990)	(415,463)	(3,172,592)	142,048
NON-OPERATING REVENUE/(EXPENSES)					
Debt Service Interest	(226,957)	-	(24,069)	(251,026)	-
Unrestricted Gifts	13,011	-	-	13,011	-
Investment Income	119,786	208,096	12,306	340,188	6,978
Total Non-Operating Revenue	(94,160)	208,096	(11,763)	102,173	6,978
Income (Loss) Before Transfers	(2,002,299)	(640,894)	(427,226)	(3,070,419)	149,026
Transfers In	121,747	-	-	121,747	-
Change in net assets	(1,880,552)	(640,894)	(427,226)	(2,948,672)	149,026
Total net assets - beginning	20,372,796	12,604,369	1,128,625	34,105,790	(169,513)
TOTAL NET ASSETS - ENDING	\$ 18,492,244	\$ 11,963,475	\$ 701,399	\$ 31,157,118	\$ (20,487)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2002**

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Cash Flows from Operating Activities:			
Receipts from customers	\$ 38,037,531	\$ 10,544,624	\$ 1,465,016
Other operating cash receipts	214,713	-	-
Cash payments to suppliers	(18,173,637)	(9,980,713)	(470,044)
Cash payments to employees	(21,336,986)	(1,224,822)	(833,748)
Internal activity-payments to other funds	-	(13,100)	(159,553)
Internal activity-receipts from other funds	-	-	-
Net Cash Provided by (Used in) Operating Activities	(1,258,379)	(674,011)	1,671
Cash Flows from Capital and Related Financing Activities:			
Principal payments of long-term debt	(586,087)	-	(165,654)
Interest payments on long term debt	-	-	(16,597)
Expenditures for property, facilities and equipment	(1,029,353)	(4,461)	(141,812)
Net Cash Used in Financing Activities	(1,615,440)	(4,461)	(324,063)
Cash Flows from Investing Activities:			
Investment income	132,797	208,096	12,306
Net decrease in investments	2,951,164	-	-
Net Cash Provided by Investing Activities	3,083,961	208,096	12,306
Net increase (decrease) in cash and cash equivalents	210,142	(470,376)	(310,086)
Cash and cash equivalents at beginning of year	2,627,378	13,693,178	768,656
Cash and cash equivalents at end of year	\$ 2,837,520	\$ 13,222,802	\$ 458,570
Noncash capital financing activities:			
Change in fair value of investments	\$ -	\$ -	\$ -

	Internal Service Fund
	Risk Management Fund
<u>Totals</u>	
\$ 50,047,171	\$ -
214,713	-
(28,624,394)	(5,709,105)
(23,395,556)	-
(172,653)	(446,620)
-	5,900,263
(1,930,719)	(255,462)
(751,741)	-
(16,597)	-
(1,175,626)	-
(1,943,964)	-
353,199	6,978
2,951,164	-
3,304,363	6,978
(570,320)	(248,484)
17,089,212	615,688
<u>\$ 16,518,892</u>	<u>\$ 367,204</u>
<u>\$ -</u>	<u>\$ -</u>

EXHIBIT A (PAGE 2 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

(Continued)

For the Year Ended December 31, 2002

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,908,139)	\$ (848,990)	\$ (415,463)
Non-cash adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			-
Depreciation and amortization	1,413,198	12,379	300,043
Transfer in from General Fund	121,747	-	-
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	(1,559,566)	(39,762)	(27,875)
Inventories	(42,046)	-	-
Prepaid expenses	61,292	19,131	-
Other assets - deposits	393,658	-	-
Accounts payable and due to other funds	576,458	(18,777)	144,966
Deferred credits	(35,664)	-	-
Accrued liabilities	(295,112)	202,008	-
Deferred income	15,795	-	-
 Net Cash Provided by (Used in) Operating Activities	 \$ (1,258,379)	 \$ (674,011)	 \$ 1,671

Disclosure of Accounting Policy:

The purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents.

Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

	Internal Service Fund
	Risk Management Fund
Totals	
\$ (3,172,592)	\$ 142,048
1,725,620	-
121,747	-
(1,627,203)	(235,190)
(42,046)	-
80,423	(31,008)
393,658	446,620
702,647	(452,816)
(35,664)	-
(93,104)	(125,116)
15,795	-
<u>\$ (1,930,719)</u>	<u>\$ (255,462)</u>

County of Beaver, Pennsylvania

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2002**

	Pension Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ -	\$ 3,312,857
Investments		
Common and Preferred Stocks	66,668,533	-
U.S. Government Obligations	19,085,955	229,481
Corporate Bonds	35,351,283	-
Due from other funds	-	8,854
Receivables		
Interest and Dividends	487,461	106
Other	-	9,621
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 121,593,232</u>	<u>\$ 3,560,919</u>
LIABILITIES		
LIABILITIES		
Accounts payable	510,524	3,552,065
Due to other funds	-	8,854
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>510,524</u>	<u>3,560,919</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>121,082,708</u>	<u>-</u>
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>\$ 121,082,708</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

For the Year Ended December 31, 2002

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Member Contributions	\$ 4,240,669
County Contributions	<u>1,468,601</u>
Total Contributions	<u>5,709,270</u>
Investment Income	
Net Depreciation in Fair Value of Investments	(11,815,851)
Interest and Dividends	<u>4,232,865</u>
	(7,582,986)
Less: Investment management fees	<u>414,705</u>
Total Investment Loss - net	<u>(7,997,691)</u>
Total	<u>(2,288,421)</u>
DEDUCTIONS:	
Benefits Paid	4,926,232
Administrative Expense	<u>50,349</u>
Total Deductions	<u>4,976,581</u>
Change in Net Assets	(7,265,002)
Net Assets - Beginning	<u>128,347,710</u>
Net Assets - Ending	<u><u>\$ 121,082,708</u></u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2002 and June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

1. **Organization and Reporting Entity**

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under the commissioner-administrator form of government and provides the following services as authorized by the County's code: public safety, judicial, medical, human services, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", the County has evaluated all related entities (authorities, commissions and affiliates) for the possible inclusion in the financial reporting entity.

As of July 2002 the County has committed an annual subsidy to and is responsible for appointing the board of trustees of the Community College of Beaver County (CCBC). Consequently, CCBC will be reported as a component unit of the County next year. Financial statements for CCBC can be obtained at:

Community College of Beaver County
Controller's Office
One Campus Drive
Monaca, PA 15061

The Component unit discussed below is included in the County's reporting entity because of the significance of financial and operational relationships with the County. This component unit is included in the financial reporting entity as a discretely presented component unit.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Unit

The component unit column in the government-wide financial statements includes individual financial data for the Beaver County Transit Authority (BCTA). It is reported in a separate column to emphasize that it is legally separated from the County. BCTA was determined to be a component unit because its board is appointed by the County Commissioners and it receives a significant operating subsidy from the County. Complete and more detailed financial statements for BCTA can be obtained from:

Beaver County Transit Authority
200 W. Washington Street
Rochester, PA 15074

The reporting period for BCTA is as of and for the year ending June 30, 2002.

Summary of Significant Accounting Policies for BCTA

General Policy - The Authority prepares its financial statements on the basis of accounting practices prescribed or permitted by the Commonwealth of Pennsylvania and departments under its jurisdiction.

Basis of Accounting - The Authority accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant revenues received or receivable before the revenue recognition criteria have been met are reported as deferred revenue. State free transit senior citizen general funds and passenger revenues are recorded when received. All other revenues are recognized when earned.

Assets are depreciated using the straight-line method over their estimated useful lives.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2002 and June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. Organization and Reporting Entity - Continued

Related Organizations

The Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

Beaver County Housing Authority
Beaver County Hospital Authority
Beaver County Conservation District
Beaver County Redevelopment Authority
Beaver County Industrial Development Authority
Pennsylvania Finance Authority
Workforce Investment Board
Beaver County Economic Development Authority
Beaver County Agricultural Land Preservation Board

2. Government-Wide Financial Statements and Fund Financial Statements

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the governmental-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Health / Mental Retardation. This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

Children and Youth Services. The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

1996 Bond Issue. This fund was established by the County to administer the proceeds of the 1996 General Obligation Bond Issue (and its subsequent defeasance by the 1997 General Obligation Bonds issued) with the objective of financing major capital improvements of the County.

The County reports the following major enterprise funds:

Friendship Ridge. This is the enterprise fund for the County-owned facility that accommodates individuals in need of personal care.

Health Choices. Health Choices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

3. **Fund Types**

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type presented in the accompanying financial statements follows.

GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types - Continued

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary fund types).

PROPRIETARY FUND TYPES

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Friendship Ridge (formerly known as "Beaver Valley Geriatric Center"), Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.

An Internal Service Fund accounts for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. The Risk Management Fund accounts for the self-insured employees' medical health benefits of the County.

FIDUCIARY FUND TYPES

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and accounts for the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers, for Domestic Relations support payments and delinquent real estate tax payments (Tax Claims).

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Available means expected to be collected within sixty days of year-end. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred except for compensated absences and interest on general long-term debt, which is recorded when the payment is due.

The financial statements of agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting all revenues are recorded when earned and expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its proprietary operations. A proprietary fund may apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to only apply GASB pronouncements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Basis of Accounting and Measurement Focus** - Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds and internal service fund are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Pension Trust Fund and agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

- a. Property taxes collected by the Treasurer within sixty days subsequent to December 31, are recorded as revenue on the statement of revenues, expenditures, and changes in fund balances in the previous year ended.
- b. Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audit and adjustment by grantor agencies. Grant revenues received for expenses, which are disallowed, are repayable to the grantor.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. **Revenues** - Continued

- c. Revenue recognized by HealthChoices is based on the number of Medicaid members within the county at a contracted rate with the Department of Public Welfare.
- d. The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.
- e. Patient fees of Friendship Ridge are recognized in the period in which the services are provided.
- f. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Expenditures**

Fixed asset purchases, relating to non-proprietary fund type assets, are included in current year expenditures in governmental funds and are capitalized in the government-wide statement of net assets.

Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures, and Changes in Fund Balances when paid.

7. **Cash, Cash Equivalents, Restricted Cash, and Investments**

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania Treasurer's Invest

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

7. **Cash, Cash Equivalents, Restricted Cash, and Investments** –
Continued

Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

Friendship Ridge's investments consist of funds voluntarily set aside to fund future plant replacement, expansion, and capital debt principal repayments. These funds are invested in short-term debt instruments and are recorded at cost, which approximates fair value.

Investments of the Pension Trust Fund are stated at fair value as determined from prices available in public markets.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents. Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

8. **Supplies**

Supplies of Friendship Ridge consist of expendable materials and other supplies and are stated at cost determined by the first-in first-out method.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

9. Capital Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. General fixed assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net assets. All general fixed assets are recorded at cost, if known, or estimated historical cost. Donated fixed assets are recorded at their fair market value on the date of donation. With the exception of enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. Depreciation on general fixed assets recorded in the government-wide statement of net assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County's classes of reported capital assets are as follows:

Vehicles	5 years
Buildings and Land Improvements	40 years
Furniture, Fixtures and Equipment	10 years
Infrastructure	50 years

Public domain (infrastructure) general capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) and that were placed in service prior to 2002 are not required to be capitalized until fiscal years beginning after June 15, 2005. Infrastructure assets placed in service on or after January 1, 2002 are capitalized in the government-wide statement of net assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized in the government-wide statement of net assets or the proprietary funds. Major renewals or betterments are capitalized as additions.

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

10. Compensated Absences

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1 must be taken by December 31 of that same year. The accrual in the government-wide Statement of Net Assets, therefore, represents what was earned through December 31, 2002 granted on January 1, 2003. Also included within this amount are accrued wages and payroll costs.

Employees may accumulate up to 100 days of sick leave. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2002 that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Noncurrent Liabilities because the amount estimated to be paid during 2003 was determined to be insignificant.

11. Accrued Healthcare Costs

HealthChoices establishes a liability for Received But Unpaid Claims (RBUC) and Claims Incurred But Not Received (IBNR). The RBUC is calculated by using a weighted average unit cost for claims received and entered into the claim's payment system that have yet to be paid. A total health care liability is also estimated for claims that have been incurred during 2002 that will be paid in the future. The IBNR is calculated as the difference between this total estimated liability less the RBUC liability. These amounts are estimated by the County's third party specialists.

Accrued healthcare costs of the Risk Management Fund are calculated internally based on claims history.

12. Budgets

The County Board of Commissioners (Commissioners) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

12. **Budgets** - Continued

The Controller submits the proposed budget to the Commissioners no less than 30 days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31. Notice of the availability of the proposed budget for public inspection is made at least 20 days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing now or hereafter authorized by law. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, by department and by line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund, department and at each line-item.

Formal budgetary review is employed as a management control during the year for the General Fund, Special Revenue Funds and the Capital Projects Funds. Budget amounts presented in the financial statements are as amended through December 31, 2002.

13. **Encumbrances**

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

14. Net Assets

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). One requirement of this contract is to maintain a restricted reserve in the amount of \$1,500,000. As of December 31, 2002, the County has met this requirement by maintaining cash in a restricted reserve at Sky Bank. Assets can be transferred from this account only with the permission of the Commonwealth. In addition, the County has a letter of credit with its bank to maintain this reserve requirement.

The HealthChoices' contract also requires a plan of insolvency. During 2002, the County met this requirement with another letter of credit with its bank in the amount of \$2,500,000. This Reserve for Risk and Contingency is for up to 90 days of unpaid claims.

The County is also required under its contract to reserve earnings for reinvestment in services that are for the primary benefit of enrollees covered by HealthChoices. The amount of this Reserve for Reinvestment is \$7,901,724 as of December 31, 2002. The Commonwealth must approve the actual expenditure of these funds.

The internal service fund accounts for the self-insured employees' medical health benefits of the County. The internal service fund reimbursement rate was revised to eliminate the December 31, 2001 \$169,513 deficit; however, a deficit exists at December 31, 2002 for \$20,487. The reimbursement rate was revised to eliminate this deficit.

15. Pending Governmental Accounting Standards Board Pronouncements

Amending GASB Statement No. 14, the Governmental Accounting Standards Board has issued GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." This statement provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. This statement is required to be adopted for financial statements of periods beginning after June 15, 2003. The County has not determined the impact, if any, that GASB No. 39 will have on the financial statements.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

16. **Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

17. **Adoption of Accounting Pronouncements**

In 2002, the County implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis" ("GASB No. 34"), as amended by GASB Statement No. 37. This statement establishes financial reporting standards for state and local governments requiring the inclusion of management's discussion and analysis, government-wide financial statements, fund financial statements, notes, and required supplementary information. The implementation of GASB No. 34 led to a change in beginning fund balance to match beginning net assets for governmental activities. The total change is calculated as follows:

	<u>Governmental Activities / Funds</u>
Fund Balance at December 31, 2001 as previously reported:	\$ 24,958,803
Adjustment per GASBI No. 6	<u>1,650,850</u>
Fund Balance as restated	26,609,653
Adjustments for implementation of GASB 34:	
Accounts receivable	2,748,655
Bond issue costs net of accumulated amortization	472,000
Fixed assets, net of accumulated Depreciation	61,144,359
Accrued interest expense	(862,000)
Accrued vacation	(1,650,850)
General obligation bonds	(72,359,699)
Accrued sick payable	(1,200,000)
Addition of beginning fund balance for the Internal Service Fund	<u>(169,513)</u>
Total adjustments for implementation of GASB No. 34	<u>(11,877,048)</u>
Net assets at December 31, 2001	<u>\$ 14,732,605</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

17. **Adoption of Accounting Pronouncements** - Continued

Other changes due to the effects of the implementation of GASB 34 are referenced throughout the comprehensive annual financial report.

In 2002, the County implemented GASB Statement No. 38 "Certain Financial Statement Note Disclosures." This statement modifies, establishes and rescinds certain financial statement disclosure requirements.

In 2002, the County implemented GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements" ("GASBI No. 6"), which clarified that certain liabilities are not recognized as governmental fund liabilities until they actually mature and payment is required. Previously, the County recorded a liability for accrued vacation in the governmental funds for vacation earned by employees during the prior year. Under GASB Interpretation No. 6, this liability is recorded in the government-wide financial statements. The following governmental fund balances have been adjusted:

	Fund Balance at December 31, 2001 as previously Reported	Fund Balance at December 31, <u>2001 restated</u>	<u>Difference</u>
General Fund	\$3,351,984	\$4,560,984	\$1,209,000
MH/MR	1,319,566	1,488,466	168,900
Children & Youth	992,788	1,073,238	80,450
Domestic Relations	132,405	209,405	77,000
Community Development	1,359,242	1,376,942	17,700
Office on Aging	695,598	781,398	85,800
Childcare Choices	528,931	540,931	12,000
			<u>\$1,650,850</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year. Taxes are payable beginning in January of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date the properties are liened and legal action is required to sell real property for tax proceeds.

The County is permitted by the County Code to levy real estate property taxes up to \$25 per \$1,000 of assessed valuation.

Property tax revenues are recorded on the statement of activities net of discounts of \$507,536 and inclusive of penalties amounting to \$561,509. Property taxes receivable are stated net of allowance for uncollectible accounts. The balance in the allowance for uncollectible taxes is \$2,201,087.

NOTE C - CASH DEPOSITS AND INVESTMENTS

Statutes allow the County to invest in United States Treasury bills, short-term obligations of the United States Government or the Commonwealth of Pennsylvania, deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72, and certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities.

The County's investments (including those classified as cash equivalents), except those of the Pension Trust Fund, are categorized below to give indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County's name.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Cash, cash equivalents and investments of the County, with the exception of the Pension Trust Fund, consist of the following as of December 31, 2002:

	<u>Category</u>			<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Categorized:				
U.S. Government				
Obligations	\$ -	\$ -	\$34,612,718	\$33,599,991
	<u>\$ -</u>	<u>\$ -</u>	<u>\$34,612,718</u>	33,599,991
Non-Categorized:				
Pooled Investment Funds				8,369,928
Cash and Deposits				<u>5,796,684</u>
				<u>\$47,766,603</u>

Pooled Investment Funds are managed by the PLGIT and the Invest Program. The fair value of the position in the PLGIT and the Invest Program is the same as the value of the pools' shares. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, such as obligations of the United States Government, repurchase agreements and certificates of deposit collateralized with U. S. Treasury or U. S. government agency obligations, U. S. Treasury securities, and obligations of U. S. government agencies. Since participation in these pools is not evidenced by securities, these investments are not classified according to level of credit risk.

The bank balance of cash deposits is classified in the following categories according to credit risk:

- (1) Insured or collateralized with securities held by the County or by its agent in the County's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name;
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the County's name.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

At year-end, the carrying amount of the County's cash (except for the Pension Trust Fund) was \$5,796,684 and the bank balance was \$6,153,515. Of this amount \$400,000 was covered by federal depository insurance (classified as category (1)). The remaining bank balance of \$5,753,515 was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature or other authorized securities. Pursuant to Act 72 of the State Legislature, a depository must pledge assets to secure the state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. All such pledged assets are held by the pledging financial institution's trust department or agent and not in the County's name (classified as category (3)).

Pension Trust Fund

The Pension Trust Fund's investments are categorized below to give indication of the level of credit risk assumed by the fund at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the Pension Trust Fund or its agent in the Pension Trust Fund's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Pension Trust Fund's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Pension Trust Fund's name.

As of December 31, 2002, the Pension Trust Fund's cash, cash equivalents and investments consist of:

	<u>Category</u>			<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Common and Preferred Stocks	\$ -	\$ -	\$ 66,668,533	\$ 66,668,533
Bonds and Notes:				
U.S. Government and Related Agencies	-	-	19,085,955	19,085,955
Corporate Bonds	-	-	35,351,283	35,351,283
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,105,771</u>	121,105,771
Cash				-
				<u>\$121,105,771</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - BCTA

At June 30, 2002, the BCTA had the following values relating to its cash and bank deposits:

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash	\$ 54,081	\$ 54,081

BCTA's cash and cash equivalents (including those classified as investments according to GASB Statement No.3) consist of:

Cash - Category 1	<u>\$ 54,081</u>
Non-Categorized:	
Treasury Obligation Funds	<u>797,383</u>
	<u>\$ 851,464</u>

Category 1 includes deposits that are insured or collateralized with securities held by BCTA or its agent in BCTA's name. Category 2 deposits are collateralized with securities held by the pledging financial institution's trust department or agent in BCTA's name. Category 3 encompasses deposits that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in BCTA's name.

Investments are categorized according to level of credit risk. Category 1 includes investments that are insured or registered for which the securities are held by BCTA or its agent in the BCTA's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in BCTA's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in BCTA's name. Treasury Obligation Funds consist of U. S. Treasury or U. S. government agency obligations. Since these investments have the characteristics of mutual funds, they are not classified according to level of credit risk.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2002 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities					
General	\$ -	\$4,976,278	\$ 393,686	\$ 182,019	\$ 5,551,983
MH/MR	-	-	346,147	452,196	798,343
Children & Youth	-	-	695,163	9,436	704,599
Other governmental	-	-	1,361,817	77,412	1,439,229
Internal service	-	-	-	235,674	235,674
	-	4,976,278	2,796,813	956,737	8,729,828
Allowance for doubtful accounts	-	(2,201,087)	-	-	(2,201,087)
Total – governmental activities	-	<u>2,775,191</u>	<u>2,796,813</u>	<u>956,737</u>	<u>6,528,741</u>
Business-type activities					
Friendship Ridge	\$6,465,468	\$ -	\$ -	\$ -	\$ 6,465,468
Health Choices	82,042	-	-	1,913	83,955
Other proprietary	118,980	-	-	-	118,980
Total – business-type activities	<u>6,666,490</u>	-	-	<u>1,913</u>	<u>6,668,403</u>
Primary Government Total	<u>6,666,490</u>	<u>2,775,191</u>	<u>2,796,813</u>	<u>958,650</u>	<u>13,197,144</u>
Component Unit					
BCTA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,155,051</u>	<u>\$ 45,762</u>	<u>\$ 4,200,813</u>

Payables at December 31, 2002, consisted of amounts due to vendors for goods and services provided to the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for nonmajor governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets / balance sheet for governmental funds and for proprietary funds. All interfund balances are expected to be repaid within one year.

	Due from						Total
	General Fund	Children & Youth	MH/MR	1996 Bond Issue	Other Nonmajor Governmental	Other Nonmajor Business-Type	
General Fund	\$ -	\$1,166,103	\$116,165	\$ 266	\$ 856,030	\$ 285,466	\$ 2,424,030
Health Choices	1,294	-	-	-	-	-	1,294
1996 Bond Issue	-	-	-	-	206,485	-	206,485
Total	<u>\$ 1,294</u>	<u>\$1,166,103</u>	<u>\$116,165</u>	<u>\$ 266</u>	<u>\$ 1,062,515</u>	<u>\$ 285,466</u>	<u>\$2,631,809</u>

Children & Youth's balance due to the General Fund includes a quarterly administrative reimbursement of \$1,072,213, while the remaining \$93,890 is due to a time lag of payment dates between funds.

MH/MR's balance consists of \$25,000 due to the General Fund for indirect costs while the remaining \$91,165 is due to a time lag of payment dates between funds.

The balance of \$206,485 due from Other Nonmajor Governmental Funds to the 1996 Bond Fund represents a cost reimbursement for work associated with renovating space for the Adult Probation department. The Offenders' Supervisory Fund approved to reimburse all Adult Probation renovation expenditures made from the 1996 Bond Fund.

All remaining balances resulted from the time lag of payment dates between funds.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

Interfund Transfers

Interfund transfers for the year ended December 31, 2002, consisted of the following:

		<u>Transfer from</u>		
		<u>General</u>	<u>Other Nonmajor</u>	<u>Total</u>
		<u>Fund</u>	<u>Governmental</u>	
<u>Transfer to</u>	General Fund	\$ -	\$ 546,604	\$ 546,604
	Friendship Ridge	121,747	-	121,747
	Other Nonmajor Governmental	<u>544,000</u>	<u>-</u>	<u>544,000</u>
	Total	<u>\$665,747</u>	<u>\$ 546,604</u>	<u>\$1,212,351</u>

In the year ended December 31, 2002, the County made a one-time transfer of \$544,000 from the General Fund to the FAA Projects Fund to assist a project that had a time lag between incurring expenditures and receiving the funding from the Federal Government for a runway safety project. The FAA Project Fund reimbursed the General Fund within the same year. The FAA Projects Fund also made an immaterial transfer to the General Fund of \$2,604.

The \$121,747 transfer from the County's General Fund to Friendship Ridge consists of all indirect costs allocated to Friendship Ridge.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed fixed asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide statement of net assets.

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General government	\$ 1,259,532
Judicial	208,696
Public Safety	737,719
Public Works and Enterprise	698,245
Culture, Recreation, and Conservation	231,049
Human Services	<u>266,025</u>
Total	<u>\$3,401,266</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT -
(Continued)

The following is a summary of changes in general fixed assets for governmental activities during 2002:

	Balance at January 1, 2002 as restated for <u>GASB 34</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, 2002
Not being depreciated:				
Land	\$ 1,488,785	\$ 392,984	\$ (7,415)	\$ 1,874,354
Other capital assets:				
Buildings and Improvements	64,599,043	16,516,201	(178,228)	80,937,016
Vehicles	2,293,005	75,721	-	2,368,726
Furniture and Equipment	11,301,349	770,006	-	12,071,355
Infrastructure	-	1,281,767	-	1,281,767
	<u>78,193,397</u>	<u>18,643,695</u>	<u>(178,228)</u>	<u>96,658,864</u>
Accumulated Depreciation:				
Buildings and Improvements	(10,476,092)	(1,656,349)	175,648	(11,956,793)
Vehicles	(1,952,684)	(156,975)	-	(2,109,659)
Furniture and Equipment	(6,109,047)	(1,575,124)	-	(7,684,171)
Infrastructure	-	(12,818)	-	(12,818)
	<u>(18,537,823)</u>	<u>(3,401,266)</u>	<u>175,648</u>	<u>(21,763,441)</u>
Net other capital assets	<u>59,655,574</u>	<u>15,242,429</u>	<u>(2,580)</u>	<u>74,895,423</u>
Net capital assets	<u>\$61,144,359</u>	<u>\$15,635,413</u>	<u>\$ (9,995)</u>	<u>\$76,769,777</u>

The above assets as of December 31, 2002, include capital assets amounting to \$8,699,804 relating to capitalized leases and \$-0- relating to accumulated amortization.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT -
(Continued)**

Business-type activities	Balance at January 1, <u>2002</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, <u>2002</u>
Not being depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Other capital assets:				
Buildings and Improvements	8,434,105	686,659	-	9,120,764
Furniture and Equipment	<u>26,134,249</u>	<u>834,069</u>	<u>-</u>	<u>26,968,318</u>
	<u>34,568,354</u>	<u>1,520,728</u>	<u>-</u>	<u>36,089,082</u>
Accumulated Depreciation:				
Buildings and Improvements	(5,375,774)	(229,125)	-	(5,604,899)
Furniture and Equipment	<u>(15,598,833)</u>	<u>(1,491,341)</u>	<u>-</u>	<u>(17,090,174)</u>
	<u>(20,974,607)</u>	<u>(1,720,466)</u>	<u>-</u>	<u>(22,695,073)</u>
Net other capital assets	<u>14,029,753</u>	<u>(635,744)</u>	<u>-</u>	<u>13,394,009</u>
Net capital assets	<u>\$14,071,828</u>	<u>\$ (635,744)</u>	<u>\$ -</u>	<u>\$13,436,084</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Friendship Ridge	\$ 1,408,044
Health Choices	12,379
Emergency Services 911	<u>300,043</u>
Totals	<u>\$ 1,720,466</u>

Included in the figures presented above is a capital lease recorded at \$497,340 and related accumulated amortization of \$91,179. Amortization for the year amounted to \$49,734 and it is classified as depreciation on the Statement of Activities.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT -
(Continued)**

Component Unit - BCTA

The following is a summary of BCTA's property accounts as of June 30, 2002:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,121	N/A
Buildings and Improvements	11,700,970	30
Tangible Transit Operating Property	9,434,608	5 - 12
Furniture and Equipment	<u>1,180,132</u>	4 - 5
	25,601,831	
Less Accumulated Depreciation	<u>(5,167,758)</u>	
	<u>\$20,434,073</u>	

Depreciation expense for the year ended June 30, 2002, amounted to \$1,157,140.

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board.

The Plan is established, administered and funded under the authority of the "County Pension Law", Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

As of January 1, 2003, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	526
Terminated employees not yet receiving benefits	<u>100</u>
	<u>626</u>
Active plan participants:	
Vested	918
Nonvested	<u>732</u>
	<u>1,650</u>

The Plan provides pension benefits for normal retirement at age 60 based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after 8 years of service.

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 7%, but not more than 19%, of their salary depending on the participant's employment class and wage, and on current actuarial determinations. All full-time employees and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the system.

The Beaver County Employees' Retirement System funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual required contribution for 2002 was determined as part of an actuarial valuation as of January 1, 2002 using the aggregate actuarial cost method. This actuarial method does not identify or separately amortize unfunded actuarial liabilities.

There is no unfunded actuarial accrued liability as of December 31, 2002.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE G - EMPLOYEE RETIREMENT PLANS - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$1,468,601
Interest on net pension obligation	-
Adjustment to the annual required contribution	-
Annual pension cost	1,468,601
Contributions made	1,468,601
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

Three-year Trend Information:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
December 31, 2002	\$1,468,601	100	\$ -
December 31, 2001	\$ -	N/A	\$ -
December 31, 2000	\$ -	N/A	\$ -

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	3.0%
Inflation adjustment	3.0%
Cost-of-living adjustment	100.0% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Reserves

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

Members' Annuity Reserve Account:

This reserve represents the total of contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2003 the balance in this account was \$44,145,138 and it was fully funded.

County Annuity Reserve Account:

This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2003 the balance in this account was \$39,534,751 and it was fully funded.

Retired Members' Reserve Account:

This is the account out of which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2003 the balance in this account amounted to a fully funded \$21,926,089.

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001, (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and permits them to defer a portion of their compensation until future years. The Plan's administrator is Nationwide Retirement Solutions, Inc. Total employee contributions for the year ended December 31, 2002 amounted to \$703,472 and there were no employer contributions for the same period. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. During 1997, the County placed all assets in the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE H - DEFERRED COMPENSATION PLAN -- (Continued)

Component Unit - BCTA

The BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. The BCTA is the plan's administrator and it agrees to contribute 9% percent of participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full time employees with two full calendar years of service and certain other employees are eligible to participate in the plan. Participants are not required to and did not contribute during the year ended June 30, 2002 to the plan. BCTA's contributions amounted to approximately \$49,000 for the year ended June 30, 2002.

Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE I - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2002.

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable at January 1, 2002</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest Accrued</u>	<u>Payable at December 31, 2002</u>
<u>Governmental Activities</u>								
<u>General Obligation Bonds:</u>								
Construction Fund	Varies	05/16/1986	09/01/2010	\$ 5,459,699	\$ -	\$ 860,000	\$ 422,160	\$ 5,021,859
Refunding Series A of 1993	Varies	04/15/1993	10/01/2007	5,895,000	-	875,000	-	5,020,000
Series of 1997	4.2 - 5.3	10/15/1997	10/01/2026	<u>61,005,000</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>60,835,000</u>
				<u>\$72,359,699</u>	<u>\$ -</u>	<u>\$ 1,905,000</u>	<u>\$ 422,160</u>	<u>\$70,876,859</u>
<u>Other general long-term Liabilities:</u>								
Pennsylvania Finance Authority ("PFA") Series 2002 Bonds	2.5 - 5.1	02/01/2002	09/01/2022	<u>-</u>	<u>4,325,000</u>	<u>-</u>	<u>-</u>	<u>4,325,000</u>
				<u>-</u>	<u>4,325,000</u>	<u>-</u>	<u>-</u>	<u>4,325,000</u>
Total Governmental Activities				<u>\$72,359,699</u>	<u>\$4,325,000</u>	<u>\$ 1,905,000</u>	<u>\$ 422,160</u>	<u>\$75,201,859</u>
<u>Business-Type Activities</u>								
<u>General Obligation Bonds:</u>								
Series of 1998	3.45 - 4.25	11/15/1998	01/15/2013	<u>\$ 5,540,000</u>	<u>\$ -</u>	<u>\$ 370,000</u>	<u>\$ -</u>	<u>\$ 5,170,000</u>

The General Obligation Bonds issued May 1986 are stated at their present value of required future payments. Annual interest rates change in fixed increments as determined at the time of issue.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE I - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2002.

	Payable at January 1, <u>2002</u>	<u>Change</u>	Payable at December 31, <u>2002</u>
Governmental Activities			
Capital lease obligations	\$ -	\$ 8,699,804	\$ 8,699,904
Compensated absences	1,200,000	200,000	1,400,000
Swaption Payment	-	<u>1,511,500</u>	<u>1,511,500</u>
	<u>1,200,000</u>	<u>10,411,304</u>	<u>11,611,304</u>
Business-type Activities			
Capital lease obligations	<u>339,409</u>	<u>(165,654)</u>	<u>173,755</u>
Totals:	<u>\$ 1,539,409</u>	<u>\$10,245,650</u>	<u>\$ 11,785,059</u>

In November 1997, the County of Beaver General Obligation Bonds Series 1996 were advance refunded with \$61,060,000 (par value) of County of Beaver, Pennsylvania, General Obligation Bonds, Refunding Series of 1997 (1997 Bonds). Trust account assets and liabilities for the defeased bonds are not included in the accompanying financial statements. At December 31, 2002 \$57,010,000 of the Series 1996 bonds are outstanding and considered defeased.

In November 1998, the County of Beaver Refunding Series of 1996 were advance refunded with \$6,250,000 of County of Beaver, Pennsylvania, General Obligation Bonds, Series of 1998 (1998 Bonds). As of December 31, 2002, none of the 1996 defeased debt remains outstanding.

The Construction Fund General Obligation Bonds issued May 1986 are zero-coupon bonds with no scheduled interest payments. Interest is being accreted through the bonds' maturity date.

The County guarantees \$12,190,000 for the Pennsylvania Finance Authority's (the PFA) Guaranteed Lease Revenue Bonds, Series A of 2002 (\$7,865,000), and Guaranteed Revenue Bonds, Series B of 2002 (\$4,325,000).

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002

NOTE I - LONG-TERM LIABILITIES - (Continued)

Effective February 1, 2002, the County entered into a loan agreement with the PFA to borrow \$4,325,000 for the construction of a parking garage. Payments under this loan provide a guarantee for the PFA's Guaranteed Revenue Bonds, Series B of 2002. The County is subject to several restrictive covenants as described in the aforementioned loan agreement.

The County has entered into a contract that provides a counterparty the right to refund the 1997 Bonds between October 1, 2007 and October 1, 2009. In exchange for the County's right to relinquish the 1997 Bonds, the County received \$1,511,500 ("Swaption Payment") in December, 2002, which it recorded as noncurrent in the Statement of Net Assets. This agreement's fair value (as calculated by a forecast of discounted expected cash flows) approximates its carrying amount. The transaction was initiated because the County estimates the financial outcome is more favorable than under the original terms of the 1997 Bonds. Should the counterparty forfeit its right to exercise the option to refund the 1997 Bonds, the County could be subject to a termination payment to the counterparty.

The following schedule presents the principal amount of each long term debt issue due within one year of the date of these financial statements.

Governmental activities	
Construction Fund	\$ 860,000
Refunding Series A of 1993	905,000
1997 Bonds	185,000
PFA Series 2002 Bonds	<u>145,000</u>
Total	2,095,000
Business-type activities	
Series of 1998	<u>390,000</u>
Total Primary Government	<u><u>\$ 2,485,000</u></u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE I - LONG-TERM LIABILITIES - (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 2,095,000	\$ 3,595,040	\$ 390,000	\$ 209,335	\$ 2,485,000	\$ 3,804,375
2004	2,150,000	3,540,473	400,000	194,905	2,550,000	3,735,378
2005	2,215,000	3,480,082	410,000	180,105	2,625,000	3,660,187
2006	2,275,000	3,416,175	430,000	164,730	2,705,000	3,580,905
2007	2,340,000	3,347,858	445,000	148,175	2,785,000	3,496,033
2008-2012	12,885,000	15,561,098	2,525,000	450,400	15,410,000	16,011,498
2013-2017	16,145,000	12,373,690	570,000	24,225	16,715,000	12,397,915
2018-2022	20,785,000	7,587,636	-	-	20,785,000	7,587,636
2023-2026	<u>16,170,000</u>	<u>1,948,810</u>	<u>-</u>	<u>-</u>	<u>16,170,000</u>	<u>1,948,810</u>
	77,060,000	54,850,862	5,170,000	1,371,875	82,230,000	56,222,737
Unamortized Interest	(1,858,141)	1,858,141	-	-	(1,858,141)	1,858,141
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>(181,460)</u>	<u>181,460</u>	<u>(181,460)</u>	<u>181,460</u>
	<u>\$75,201,859</u>	<u>\$56,709,003</u>	<u>\$4,988,540</u>	<u>\$1,553,335</u>	<u>\$80,190,399</u>	<u>\$58,262,338</u>

Leasing Activity

The County has recorded the following assets in the government-wide statement of net assets under capital lease obligations:

	Governmental Activities	Business-Type Activities
Land	\$ 392,984	\$ -
Buildings	8,306,820	-
Equipment	-	497,340

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's human services agencies. These agencies occupied these services beginning in 2003. Minimum lease payments over the 342-month term amount to \$14,983,759. The monthly payment under this lease amounts to \$43,812. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when a bond issue related to the financing of this building is no longer outstanding.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2002 and June 30, 2002

NOTE I - LONG-TERM LIABILITIES - (Continued)

A second lease agreement was entered into between the County and the City of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Minimum lease payments amount to approximately \$760,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building title passes to the County upon expiration of the lease at no additional cost.

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026 amounting to a total of \$676,800. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

The County leases certain equipment for the operation of its Emergency Services 9-1-1 Center. A bargain purchase option is available to the County in 2003, when the term of the lease expires. Remaining payments under this capital lease amount to \$182,251. The amortization expense for the year was \$49,734.

The following schedule summarizes future minimum lease payments due.

	Human Services Building	Land	Computer Develop- ment Building	Total Governmental Activities	Total Business- Type Activities 9-1-1 Equipment	Total Minimum Lease Payments
2003	\$ 394,309	\$ 21,600	\$ 32,000	\$ 447,909	\$ 182,251	\$ 630,160
2004	525,746	28,800	32,000	586,546	-	586,546
2005	525,746	28,800	32,000	586,546	-	586,546
2006	525,746	28,800	32,000	586,546	-	586,546
2007	525,746	28,800	32,000	586,546	-	586,546
2008-2012	2,628,730	144,000	160,000	2,932,730	-	2,932,730
2013-2017	2,628,730	144,000	160,000	2,932,730	-	2,932,730
2018-2022	2,628,730	144,000	160,000	2,932,730	-	2,932,730
2023-2027	2,628,730	108,000	120,000	2,856,730	-	2,856,730
2028-2032	<u>1,971,546</u>	<u>-</u>	<u>-</u>	<u>1,971,546</u>	<u>-</u>	<u>1,971,546</u>
Totals	14,983,759	676,800	760,000	16,420,559	182,251	16,602,810
Less: Amount representing interest costs	<u>(7,118,759)</u>	<u>(283,816)</u>	<u>(318,180)</u>	<u>(7,720,755)</u>	<u>(8,496)</u>	<u>(7,729,251)</u>
Present value	<u>\$ 7,865,000</u>	<u>\$392,984</u>	<u>\$ 441,820</u>	<u>\$ 8,699,804</u>	<u>\$ 173,755</u>	<u>\$ 8,873,559</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE I - LONG-TERM LIABILITIES - (Continued)

The interest rates used to calculate the amount representing interest costs were obtained from the individual leases and are 5.17% for governmental activities and 4.89% for business-type activities.

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets.

	<u>Human Services Building</u>	<u>Land</u>	<u>Current Develop- ment Building</u>	<u>Total Govern- mental Activities</u>	<u>Total Business- Type Activities 9-1-1 Equipment</u>
2003	\$394,309	\$ 21,600	\$32,000	\$ 447,909	\$182,251
Less: Amount representing interest costs	<u>(268,366)</u>	<u>(13,377)</u>	<u>(16,731)</u>	<u>(298,474)</u>	<u>(8,496)</u>
Present value	<u>\$125,943</u>	<u>\$ 8,223</u>	<u>\$ 15,269</u>	<u>\$ 149,435</u>	<u>\$173,755</u>

The following schedule summarizes the components of the disclosures of the Noncurrent Liabilities on the government-wide Statement of Net Assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year		
Long term debt	\$ 2,095,000	\$ 390,000
Obligations under capital lease		
	<u>149,435</u>	<u>173,755</u>
Total	<u>\$ 2,244,435</u>	<u>\$ 563,755</u>
Due in more than one year		
Long term debt	\$73,106,859	\$4,598,540
Obligations under capital lease	8,550,369	-
Accrued sick leave	1,400,000	-
Swaption	<u>1,511,500</u>	<u>-</u>
Total	<u>\$84,568,728</u>	<u>\$4,598,540</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE I - LONG-TERM LIABILITIES - (Continued)

Component Unit - BCTA

Related to construction of a transportation facility, BCTA entered into a \$2,500,000 demand line of credit agreement with a financial institution. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 65% of the U.S. Prime Rate. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation.

NOTE J - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is party to claims and other legal proceedings incidental to the ordinary course of its operations. Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position.

Component Unit - BCTA

The BCTA's state and federally funded programs are subject to audit by various governmental agencies. The BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of noncompliance which would result in the disallowance of program expenditures.

NOTE K - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, as well as from workers' compensation and health care programs.

The County is a member of the Pennsylvania Counties Risk Pool (PCoRP) and as such is provided with insurance coverage relating to property, general liability, automobile, errors and omissions, and crime coverage. There have been no significant changes in coverage in the past three years; and settled claims have not exceeded the coverage in those years.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2002 and June 30, 2002

NOTE K - RISK MANAGEMENT - (Continued)

The County is also a member of the Pennsylvania Counties Worker's Compensation Trust (PComp) and as such is provided with insurance coverage related to worker's compensation. Prior to 2002, the County purchased commercial insurance for worker's compensation claims. Settled claims have not exceeded commercial coverage in the past three years.

PCoRP and PComp are public entity pools exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property and casualty self-insurer through the pooling of resources of members electing to participate in PCoRP. PComp was organized as a worker's compensation self-insurer through the pooling of resources of members electing to participate in PComp. In accordance with Pennsylvania statute, PCoRP and PComp provide coverage for events which are reported within 24 months of the date incurred. Both PCoRP and PComp use reinsurance agreements to reduce its exposure to large losses on insured events. The County is charged periodic payments for its coverage.

The County has elected to self-fund the health and drug benefit program for its employees. Under the program, the County employs a third party administrator and pays all medical claims directly. In addition, the County purchases individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. Settled claims have not exceeded the stop-loss insurance coverage for the past three years, but the County retains the risk for medical claims above this coverage. An internal service fund has been created to fund the claims and administrative expenses using allocations from other operating funds, with the exception of Friendship Ridge. Revenues into this fund are transferred from other operating funds based upon the employee complement.

Changes in the estimate of the claims liability are as follows:

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2001	\$ 360,000	\$ -
Incurred claims and estimates	4,854,324	4,166,665
Less:		
Claims paid during period	<u>4,440,324</u>	<u>3,613,080</u>
Liability balance - December 31, 2001	774,000	553,585
Incurred claims and estimates	4,907,699	4,908,231
Less:		
Claims paid during period	<u>5,032,815</u>	<u>4,396,819</u>
Liability balance - December 31, 2002	<u>\$ 648,884</u>	<u>\$1,064,997</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2002 and June 30, 2002**

NOTE K - RISK MANAGEMENT - (Continued)

Component Unit - BCTA

The Beaver County Transit Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Effective July 1, 2001, the BCTA established a self-insurance program for its automobile liability claims, subject to a maximum of \$100,000 per accident, not to exceed \$310,000 in the aggregate. The BCTA established this self-insurance program with an initial \$10,000 escrow deposit with a claims management company.

NOTE L - COMMITMENTS

Beaver County has open commitments for normal operations of approximately \$112,070 and \$1,199,640 for construction projects as of December 31, 2002.

Friendship Ridge has open commitments for various renovation projects and other significant contracts amounting to approximately \$2,300,000 as of December 31, 2002.

NOTE M - SUBSEQUENT EVENTS

During June 2003, the County refunded the Refunding Series A of 1993 General Obligation Bonds with the \$5,275,000 General Obligation Refunding Notes Series A of 2003. Concurrently, the County also issued the \$1,405,000 General Obligation Bonds, Series B of 2003.

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REQUIRED SUPPLEMENTAL INFORMATION

County of Beaver, Pennsylvania

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2002**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u>
December 31, 2002	\$ 1,468,601	100%
December 31, 2001	-	N/A
December 31, 2000	-	N/A
December 31, 1999	-	N/A
December 31, 1998	147,216	100%
December 31, 1997	2,597,521	100%

The information presented above was determined as part of the actuarial valuations at the dates indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method:	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Inflation adjustment:	3%
Investment rate of return:	7.5% for 1997 - 2002
Projected salary increase:	4.5% for 1997 - 2001, 3% for 2002
Cost-of-living adjustment:	25% of CPI, except 100% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2002

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
REVENUES				
Real Estate Taxes	\$ 31,761,437	\$ 31,761,437	\$ 31,715,029	\$ (46,408)
Licenses and Permits	72,000	72,000	112,552	40,552
Interest and Rents	1,118,926	1,118,926	768,530	(350,396)
Intergovernmental Revenues	3,316,145	3,376,568	2,780,217	(596,351)
Charges for Services and Facilities	4,721,169	4,722,625	5,754,603	1,031,978
Project Income	71,500	80,500	82,635	2,135
Miscellaneous	527,520	803,675	1,051,528	247,853
TOTAL REVENUES	<u>41,588,697</u>	<u>41,935,731</u>	<u>42,265,094</u>	<u>329,363</u>
EXPENDITURES				
Current				
General Government	9,953,459	9,691,678	8,762,175	(929,503)
Judicial	8,870,713	9,530,111	8,967,695	(562,416)
Public Safety	9,755,296	11,630,884	10,952,498	(678,386)
Public Works and Enterprises	3,084,831	3,444,800	3,292,341	(152,459)
Culture, Recreation and Conservation	3,183,723	3,392,111	3,098,146	(293,965)
Intergovernmental				
Human Services	4,442,510	4,568,539	4,476,794	(91,745)
Miscellaneous	1,177,285	831,729	592,953	(238,776)
Debt Service				
Principal	1,301,488	1,905,001	1,905,000	(1)
Interest	4,410,514	3,452,001	3,447,171	(4,830)
Capital Outlay				
Infrastructure	-	-	82,600	82,600
Fixed Asset Acquisition and Improvements	359,550	493,394	9,039,229	8,545,835
TOTAL EXPENDITURES	<u>46,539,369</u>	<u>48,940,248</u>	<u>54,616,602</u>	<u>5,676,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,950,672)	\$ (7,004,517)	\$ (12,351,508)	\$ (5,346,991)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	8,699,804	8,699,804
Sales of capital assets	-	507,192	710,005	202,813
Swaption proceeds	-	1,511,500	1,511,500	-
Transfers from Other Funds	242,380	822,180	546,604	(275,576)
Transfers to Other Funds	-	(541,396)	(665,747)	(124,351)
TOTAL OTHER FINANCING SOURCES	<u>242,380</u>	<u>2,299,476</u>	<u>10,802,166</u>	<u>8,502,690</u>
NET CHANGE IN FUND BALANCE	\$ (4,708,292)	\$ (4,705,041)	\$ (1,549,342)	\$ 3,155,699
Fund Balance - Beginning (Note A)	<u>4,708,292</u>	<u>4,705,041</u>	<u>4,560,984</u>	<u>(144,057)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,011,642</u>	<u>\$ 3,011,642</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MENTAL HEALTH / MENTAL RETARDATION
For the Year Ended December 31, 2002**

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 29,501,500	\$ 30,032,776	\$ 27,518,823	\$ (2,513,953)
Program / Project Income	825,000	825,000	971,488	146,488
Interest	308,000	308,000	128,785	(179,215)
Miscellaneous	84,000	84,000	722,606	638,606
Total Revenues	<u>30,718,500</u>	<u>31,249,776</u>	<u>29,341,702</u>	<u>(1,908,074)</u>
Expenditures				
Reimbursement Income	(50,000)	(518,000)	(253,115)	264,885
Salaries & Benefits	3,302,798	3,444,420	3,306,246	(138,174)
Personnel Expense	24,500	26,101	16,317	(9,784)
Consultant/Contracted Svcs.	55,000	188,969	139,774	(49,195)
Sub Contracted Services	26,583,500	26,677,816	26,169,476	(508,340)
Occupancy	19,000	19,267	12,705	(6,562)
Communication	34,500	165,500	36,075	(129,425)
Supplies & Minor Equip.	45,000	73,737	42,746	(30,991)
Transportation	24,000	24,000	19,419	(4,581)
Other Expenditures	359,400	1,142,395	629,073	(513,322)
Capital Outlay	148,500	365,019	82,790	(282,229)
Total Expenditures	<u>30,546,198</u>	<u>31,609,224</u>	<u>30,201,506</u>	<u>(1,407,718)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	172,302	(359,448)	(859,804)	(500,356)
Fund Balance - Beginning (Note A)	<u>3,821,400</u>	<u>3,821,400</u>	<u>1,488,466</u>	<u>(2,332,934)</u>
Fund Balance - Ending	<u>\$ 3,993,702</u>	<u>\$ 3,461,952</u>	<u>\$ 628,662</u>	<u>\$ (2,833,290)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CHILDREN AND YOUTH**

For the Year Ended December 31, 2002

	<u>Budget</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues				
Intergovernmental	\$ 11,600,817	\$ 11,600,817	\$ 10,900,330	\$ (700,487)
Program / Project Income	120,000	120,000	216,568	96,568
Interest	49,000	49,000	29,714	(19,286)
Miscellaneous	-	-	114	114
Total Revenues	<u>11,769,817</u>	<u>11,769,817</u>	<u>11,146,726</u>	<u>(623,091)</u>
Expenditures				
Reimbursement to General				
Fund	3,574,000	3,968,000	3,961,634	(6,366)
Salaries & Benefits	3,138,041	3,274,983	3,174,188	(100,795)
Personnel Expense	40,310	40,310	21,803	(18,507)
Consultant/Contracted Svcs.	889,500	789,500	667,822	(121,678)
Sub Contracted Services	4,071,000	3,703,935	3,535,600	(168,335)
Occupancy	242,400	240,000	213,123	(26,877)
Communication	120,500	105,500	74,521	(30,979)
Supplies & Minor Equip.	213,500	200,500	88,417	(112,083)
Transportation	95,000	85,000	73,171	(11,829)
Other Expenditures	285,839	279,973	78,406	(201,567)
Capital Outlay	87,000	86,866	20,630	(66,236)
Total Expenditures	<u>12,757,090</u>	<u>12,774,567</u>	<u>11,909,315</u>	<u>(865,252)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	(987,273)	(1,004,750)	(762,589)	242,161
Fund Balance - Beginning (Note A)	<u>1,016,635</u>	<u>1,016,635</u>	<u>1,073,238</u>	<u>56,603</u>
Fund Balance - Ending	<u>\$ 29,362</u>	<u>\$ 11,885</u>	<u>\$ 310,649</u>	<u>\$ 298,764</u>

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OTHER SUPPLEMENTAL INFORMATION

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
GENERAL GOVERNMENT				
Commissioners				
Salaries & Benefits	\$ 420,200	\$ 445,843	\$ 439,756	\$ (6,087)
Personnel Expense	500	500	474	(26)
Occupancy	67	438	437	(1)
Communication	4,000	10,317	7,864	(2,453)
Supplies & Minor Equipment	6,400	9,767	7,249	(2,518)
Transportation	4,000	4,000	3,378	(622)
Consultant/Contracted	-	60,000	20,000	(40,000)
Other Expenses	12,400	11,077	4,002	(7,075)
Total Expenditures	447,567	541,942	483,160	(58,782)
Controller				
Salaries & Benefits	611,955	667,098	665,199	(1,899)
Personnel Expense	2,300	2,300	2,228	(72)
Occupancy	836	2,191	2,190	(1)
Communication	3,250	3,244	2,477	(767)
Supplies & Minor Equipment	6,000	9,547	8,749	(798)
Transportation	3,000	950	526	(424)
Other Expenses	800	1,350	1,109	(241)
Total Expenditures	628,141	686,680	682,478	(4,202)
Treasurer				
Salaries & Benefits	461,645	500,231	486,790	(13,441)
Personnel Expense	800	800	663	(137)
Occupancy	1,253	2,191	2,190	(1)
Communication	41,600	38,406	36,571	(1,835)
Supplies & Minor Equipment	24,050	32,154	24,687	(7,467)
Transportation	3,200	4,750	3,202	(1,548)
Other Expenses	1,000	1,000	566	(434)
Tax Refunds	175,000	175,000	111,742	(63,258)
Total Expenditures	708,548	754,532	666,411	(88,121)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Recorder Of Deeds				
Salaries & Benefits	\$ 407,678	\$ 454,052	\$ 446,447	\$ (7,605)
Personnel Expense	900	935	877	(58)
Occupancy	1,086	682	682	-
Communication	4,200	4,260	2,948	(1,312)
Supplies & Minor Equipment	36,500	36,405	27,408	(8,997)
Transportation	4,000	2,500	758	(1,742)
Contracted Services	37,000	64,311	62,344	(1,967)
Other Expenses	100	100	-	(100)
Total Expenditures	491,464	563,245	541,464	(21,781)
Solicitor				
Salaries & Benefits	172,711	192,757	190,953	(1,804)
Personnel Expense	1,900	2,400	2,005	(395)
Occupancy	84	123	122	(1)
Communication	650	665	526	(139)
Supplies & Minor Equipment	4,000	3,985	3,377	(608)
Transportation	900	900	716	(184)
Consultant/Contracted	1,000	1,500	1,000	(500)
Other Expenses	1,000	1,000	10	(990)
Total Expenditures	182,245	203,330	198,709	(4,621)
Employee Relations				
Salaries & Benefits	235,447	342,451	340,279	(2,172)
Personnel Expense	54,150	53,513	35,933	(17,580)
Occupancy	84	496	487	(9)
Communication	7,600	6,600	2,370	(4,230)
Supplies & Minor Equipment	2,300	3,900	2,842	(1,058)
Transportation	500	500	57	(443)
Consultant/Contracted	131,000	205,088	200,788	(4,300)
Other Expenses	500	1,500	91	(1,409)
Total Expenditures	431,581	614,048	582,847	(31,201)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Mailroom				
Salaries & Benefits	\$ 37,434	\$ 38,226	\$ 28,617	\$ (9,609)
Communication	9,994	9,994	(6,159)	(16,153)
Supplies & Minor Equipment	1,104	1,980	1,079	(901)
Total Expenditures	48,532	50,200	23,537	(26,663)
Microfilm				
Salaries & Benefits	167,643	179,288	179,212	(76)
Personnel Expense	-	-	-	-
Occupancy	2,100	2,019	2,000	(19)
Communication	-	20	19	(1)
Supplies & Minor Equipment	19,600	38,600	36,439	(2,161)
Transportation	200	180	-	(180)
Consultant/Contracted	4,725	4,725	4,265	(460)
Other Expenses	7,940	8,940	8,811	(129)
Total Expenditures	202,208	233,772	230,746	(3,026)
Central Telephone				
Salaries & Benefits	41,354	46,648	45,438	(1,210)
Personnel Expense	5,785	2,285	1,697	(588)
Communication	66,370	65,453	64,699	(754)
Supplies & Minor Equipment	20,825	19,789	17,866	(1,923)
Total Expenditures	134,334	134,175	129,700	(4,475)
Information Technology				
Salaries & Benefits	744,589	787,292	769,783	(17,509)
Personnel Expense	14,000	11,594	11,593	(1)
Occupancy	84	-	-	-
Communication	55,650	64,301	65,169	868
Supplies & Minor Equipment	115,415	128,954	116,643	(12,311)
Transportation	6,425	-	5,630	5,630
Consultant/Contracted	85,000	95,160	93,951	(1,209)
Other Expenses	1,685	486	485	(1)
Total Expenditures	1,022,848	1,087,787	1,063,254	(24,533)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Purchasing Department				
Salaries & Benefits	\$ 108,823	\$ 129,671	\$ 124,986	\$ (4,685)
Personnel Expense	4,370	6,299	6,217	(82)
Occupancy	84	84	-	(84)
Communication	7,300	6,758	5,791	(967)
Supplies & Minor Equipment	15,200	15,200	12,656	(2,544)
Transportation	2,400	2,713	2,712	(1)
Other Expenses	800	800	514	(286)
Total Expenditures	138,977	161,525	152,876	(8,649)
Engineering				
Reimbursement from Liquid				
Fuels	(30,422)	(30,422)	(16,598)	13,824
Salaries & Benefits	154,048	157,513	125,264	(32,249)
Communication	7,448	8,248	2,276	(5,972)
Supplies & Minor Equipment	3,718	3,918	3,132	(786)
Transportation	2,492	2,492	530	(1,962)
Contracted Services	21,000	24,300	22,555	(1,745)
Other Expenses	11,367	8,067	4,477	(3,590)
Total Expenditures	169,651	174,116	141,636	(32,480)
Planning Commission				
Salaries & Benefits	394,609	416,244	371,658	(44,586)
Personnel Expense	4,200	2,600	889	(1,711)
Subsidies	-	67,750	59,631	(8,119)
Occupancy	334	123	122	(1)
Communication	4,700	6,423	5,465	(958)
Supplies & Minor Equipment	12,000	13,100	9,327	(3,773)
Transportation	5,000	5,000	3,218	(1,782)
Contracted Services	561,800	386,529	178,811	(207,718)
Other Expenses	5,323	4,100	1,473	(2,627)
Total Expenditures	987,966	901,869	630,594	(271,275)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Weights And Measures				
Salaries & Benefits	\$ 28,920	\$ 31,937	\$ 31,434	\$ (503)
Communication	50	50	5	(45)
Supplies & Minor Equipment	400	400	395	(5)
Transportation	6,000	6,000	5,865	(135)
Total Expenditures	35,370	38,387	37,699	(688)
Veterans Affairs				
Salaries & Benefits	138,130	154,310	137,884	(16,426)
Personnel Expense	750	750	733	(17)
Communication	4,100	4,500	2,911	(1,589)
Supplies & Minor Equipment	2,600	2,100	1,726	(374)
Transportation	1,200	1,300	1,292	(8)
Other Expenses	132,600	132,600	129,203	(3,397)
Total Expenditures	279,380	295,560	273,749	(21,811)
Election Bureau				
Salaries & Benefits	308,245	322,027	289,187	(32,840)
Personnel Expense	2,038	2,038	980	(1,058)
Occupancy	33	97	96	(1)
Communication	35,950	43,850	38,004	(5,846)
Supplies & Minor Equipment	34,385	35,985	24,995	(10,990)
Transportation	2,350	2,350	1,214	(1,136)
Contracted Services	4,000	5,000	4,925	(75)
Other Expenses	173,460	162,960	143,784	(19,176)
Total Expenditures	560,461	574,307	503,185	(71,122)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Assessment/Tax Claim				
Salaries & Benefits	\$ 972,926	\$ 1,022,562	\$ 990,943	\$ (31,619)
Personnel Expense	45,500	10,735	8,088	(2,647)
Occupancy	1,086	3,258	3,258	-
Communication	135,500	142,000	134,825	(7,175)
Supplies & Minor Equipment	27,000	31,000	26,470	(4,530)
Transportation	24,000	21,400	20,648	(752)
Consultant/Contracted	20,000	20,000	-	(20,000)
Other Expenses	48,000	71,397	62,674	(8,723)
Total Expenditures	<u>1,274,012</u>	<u>1,322,352</u>	<u>1,246,906</u>	<u>(75,446)</u>
Public Defender				
Salaries & Benefits	684,173	795,042	784,240	(10,802)
Personnel Expense	2,200	3,217	3,217	-
Occupancy	251	365	364	(1)
Communication	1,150	1,133	790	(343)
Supplies & Minor Equipment	8,000	8,017	7,000	(1,017)
Transportation	18,000	15,932	11,995	(3,937)
Other Expenses	57,300	55,351	35,910	(19,441)
Total Expenditures	<u>771,074</u>	<u>879,057</u>	<u>843,516</u>	<u>(35,541)</u>
General Government/ Administration				
Salaries & Benefits	-	18,483	18,483	-
Personnel Expense	74,000	74,000	69,832	(4,168)
Occupancy	5,500	18,513	17,218	(1,295)
Communication	6,000	10,365	10,364	(1)
Supplies & Minor Equipment	20,000	11,207	644	(10,563)
Consultant/Contracted	481,000	308,307	186,534	(121,773)
Other Expenses	852,600	33,919	26,633	(7,286)
Total Expenditures	<u>1,439,100</u>	<u>474,794</u>	<u>329,708</u>	<u>(145,086)</u>
Total General Government	<u><u>\$ 9,953,459</u></u>	<u><u>\$ 9,691,678</u></u>	<u><u>\$ 8,762,175</u></u>	<u><u>\$ (929,503)</u></u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
JUDICIAL				
Clerk Of Courts				
Salaries & Benefits	\$ 476,362	\$ 506,958	\$ 505,972	\$ (986)
Personnel Expense	25,800	25,900	25,688	(212)
Occupancy	2,005	2,473	2,472	(1)
Communication	34,100	34,100	28,443	(5,657)
Supplies & Minor Equipment	19,500	19,500	13,189	(6,311)
Transportation	5,400	4,832	2,709	(2,123)
Consultant/Contracted	6,000	6,000	6,000	-
Other Expenses	1,000	1,000	866	(134)
Total Expenditures	<u>570,167</u>	<u>600,763</u>	<u>585,339</u>	<u>(15,424)</u>
Coroner				
Salaries & Benefits	178,081	185,471	182,736	(2,735)
Personnel Expense	800	800	571	(229)
Occupancy	167	50	49	(1)
Communication	2,450	1,859	1,343	(516)
Supplies & Minor Equipment	600	600	265	(335)
Transportation	2,400	2,400	908	(1,492)
Other Expenses	124,500	152,499	113,936	(38,563)
Total Expenditures	<u>308,998</u>	<u>343,679</u>	<u>299,808</u>	<u>(43,871)</u>
Jury Commission				
Salaries & Benefits	69,999	77,447	76,334	(1,113)
Communication	9,000	9,000	8,861	(139)
Supplies & Minor Equipment	5,000	6,200	5,008	(1,192)
Transportation	2,400	2,400	1,723	(677)
Total Expenditures	<u>86,399</u>	<u>95,047</u>	<u>91,926</u>	<u>(3,121)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
District Attorney				
Salaries & Benefits	\$ 1,355,066	\$ 1,419,693	\$ 1,352,659	\$ (67,034)
Personnel Expense	13,700	15,361	14,821	(540)
Occupancy	1,170	1,170	1,095	(75)
Communication	12,600	12,148	10,935	(1,213)
Supplies & Minor Equipment	27,200	25,218	20,615	(4,603)
County Match	36,105	36,105	36,105	-
Transportation	16,000	12,400	9,932	(2,468)
Consultant/Contracted	9,000	7,500	5,125	(2,375)
Other Expenses	27,900	26,329	18,143	(8,186)
Contra Revenue Accounts	-	39,160	38,687	(473)
Total Expenditures	1,498,741	1,595,084	1,508,117	(86,967)
Prothonotary				
Salaries & Benefits	544,159	589,948	545,267	(44,681)
Personnel Expense	300	340	240	(100)
Occupancy	2,841	1,850	1,850	-
Communication	7,650	7,650	7,246	(404)
Supplies & Minor Equipment	24,300	23,260	20,143	(3,117)
Transportation	2,000	2,000	1,013	(987)
Other Expenses	-	558	-	(558)
Total Expenditures	581,250	625,606	575,759	(49,847)
Register Of Wills				
Salaries & Benefits	277,041	295,971	285,181	(10,790)
Personnel Expense	560	527	527	-
Occupancy	2,005	2,129	2,128	(1)
Communication	9,700	10,601	10,287	(314)
Supplies & Minor Equipment	12,000	11,970	11,817	(153)
Transportation	1,900	1,862	1,862	-
Other Expenses	800	-	-	-
Total Expenditures	304,006	323,060	311,802	(11,258)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Sheriff				
Salaries & Benefits	\$ 1,978,702	\$ 2,192,078	\$ 2,052,661	\$ (139,417)
Personnel Expense	36,150	24,450	23,778	(672)
Occupancy	367	565	561	(4)
Communication	16,000	16,567	15,689	(878)
Supplies & Minor Equipment	51,600	55,343	53,210	(2,133)
Transportation	9,000	15,700	15,626	(74)
Consultant/Contracted	3,500	28,500	9,764	(18,736)
Other Expenses	45,000	45,500	40,745	(4,755)
Total Expenditures	<u>2,140,319</u>	<u>2,378,703</u>	<u>2,212,034</u>	<u>(166,669)</u>
Court Administration				
Salaries & Benefits	1,619,770	1,662,436	1,577,733	(84,703)
Personnel Expense	60,000	89,522	88,654	(868)
Occupancy	836	1,704	1,704	-
Communication	10,200	9,548	9,374	(174)
Supplies & Minor Equipment	62,000	58,862	58,816	(46)
Transportation	11,000	11,198	11,198	-
Consultant/Contracted	165,000	113,650	109,190	(4,460)
Other Expenses	70,000	88,542	87,423	(1,119)
Total Expenditures	<u>1,998,806</u>	<u>2,035,462</u>	<u>1,944,092</u>	<u>(91,370)</u>
Law Library				
Salaries & Benefits	47,074	53,732	52,815	(917)
Personnel Expense	90,200	90,200	82,571	(7,629)
Communication	675	666	569	(97)
Supplies & Minor Equipment	1,300	1,309	1,214	(95)
Total Expenditures	<u>139,249</u>	<u>145,907</u>	<u>137,169</u>	<u>(8,738)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
District Court 36-1-03				
Salaries & Benefits	\$ 96,495	\$ 107,085	\$ 104,600	\$ (2,485)
Personnel Expense	400	400	212	(188)
Occupancy	25,580	25,580	23,494	(2,086)
Communication	9,100	9,700	8,814	(886)
Supplies & Minor Equipment	7,900	7,900	6,381	(1,519)
Transportation	1,800	1,200	726	(474)
Total	141,275	151,865	144,227	(7,638)
District Court 36-1-01				
Salaries & Benefits	97,658	112,410	110,402	(2,008)
Personnel Expense	300	300	188	(112)
Occupancy	10,850	10,850	9,555	(1,295)
Communication	9,900	10,600	8,700	(1,900)
Supplies & Minor Equipment	6,500	5,800	3,631	(2,169)
Transportation	500	500	453	(47)
Total Expenditures	125,708	140,460	132,929	(7,531)
District Court 36-3-02				
Salaries & Benefits	100,224	108,187	86,055	(22,132)
Personnel Expense	300	300	70	(230)
Occupancy	7,600	7,100	4,830	(2,270)
Communication	10,300	11,300	11,027	(273)
Supplies & Minor Equipment	6,800	6,300	4,973	(1,327)
Transportation	1,100	1,100	529	(571)
Total Expenditures	126,324	134,287	107,484	(26,803)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
District Court 36-2-01				
Salaries & Benefits	\$ 121,310	\$ 136,100	\$ 133,681	\$ (2,419)
Personnel Expense	400	414	414	-
Occupancy	7,700	7,200	6,087	(1,113)
Communication	11,000	12,200	11,728	(472)
Supplies & Minor Equipment	6,400	5,686	3,509	(2,177)
Transportation	-950	1,000	947	(53)
Total Expenditures	145,860	162,600	156,366	(6,234)
District Court 36-3-03				
Salaries & Benefits	126,461	143,459	141,449	(2,010)
Personnel Expense	400	400	250	(150)
Occupancy	11,000	13,183	12,961	(222)
Communication	11,100	11,275	10,005	(1,270)
Supplies & Minor Equipment	9,300	9,342	6,075	(3,267)
Transportation	1,000	400	-	(400)
Total Expenditures	159,261	178,059	170,740	(7,319)
District Court 36-3-04				
Salaries & Benefits	95,849	104,988	102,978	(2,010)
Personnel Expense	250	250	106	(144)
Occupancy	10,800	5,800	2,620	(3,180)
Communication	9,700	11,200	10,127	(1,073)
Supplies & Minor Equipment	7,000	14,935	12,856	(2,079)
Transportation	2,000	2,000	1,668	(332)
Total Expenditures	125,599	139,173	130,355	(8,818)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
District Court 36-1-02				
Salaries & Benefits	\$ 114,450	\$ 139,430	\$ 135,312	\$ (4,118)
Personnel Expense	250	250	174	(76)
Occupancy	7,200	7,200	6,226	(974)
Communication	8,800	10,375	9,595	(780)
Supplies & Minor Equipment	7,500	6,325	4,340	(1,985)
Transportation	1,000	600	370	(230)
Total Expenditures	139,200	164,180	156,017	(8,163)
District Court 36-3-01				
Salaries & Benefits	98,186	113,498	111,836	(1,662)
Occupancy	7,200	7,365	6,253	(1,112)
Communication	10,800	14,241	10,830	(3,411)
Supplies & Minor Equipment	9,000	8,894	7,484	(1,410)
Transportation	1,000	1,000	719	(281)
Total Expenditures	126,186	144,998	137,122	(7,876)
District Court 36-2-02				
Salaries & Benefits	127,265	145,078	143,068	(2,010)
Personnel Expense	250	250	117	(133)
Occupancy	7,200	6,500	5,735	(765)
Communication	9,850	11,350	11,172	(178)
Supplies & Minor Equipment	8,000	7,200	5,707	(1,493)
Transportation	800	800	610	(190)
Total Expenditures	153,365	171,178	166,409	(4,769)
Total Judicial	\$ 8,870,713	\$ 9,530,111	\$ 8,967,695	\$ (562,416)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Emergency Services				
Reimbursement From 911				
Fund	\$ (1,000,791)	\$ (1,283,855)	\$ (1,288,536)	\$ (4,681)
Salaries & Benefits	1,577,341	1,826,884	1,816,990	(9,894)
Personnel Expense	7,650	7,650	3,911	(3,739)
Occupancy	35,767	35,967	33,151	(2,816)
Communication	3,450	3,450	1,863	(1,587)
Supplies & Minor Equipment	34,700	34,300	22,688	(11,612)
Transportation	2,500	2,500	2,325	(175)
Consultant/Contracted Svcs	1,000	1,000	310	(690)
Other Expenses	7,100	7,300	6,885	(415)
Total Expenditures	668,717	635,196	599,587	(35,609)
Jail Of Beaver County				
Salaries & Benefits	3,962,430	4,318,561	4,290,949	(27,612)
Personnel Expense	28,900	33,539	30,353	(3,186)
Occupancy	269,751	269,865	238,841	(31,024)
Communication	17,700	18,782	17,825	(957)
Supplies & Minor Equipment	75,000	71,341	65,579	(5,762)
Transportation	6,000	6,000	5,234	(766)
Consultant/Contracted Svcs	1,000	1,000	350	(650)
Other Expenses	1,057,034	1,181,811	1,174,812	(6,999)
Total Expenditures	5,417,815	5,900,899	5,823,943	(76,956)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
Work Release Center				
Occupancy	\$ -	\$ -	\$ (156)	\$ (156)
Communication	-	-	-	-
Total Expenditures	-	-	(156)	(156)
Allencrest Detention Center				
Reimbursement from				
Children/Youth	(1,740,000)	(1,740,000)	(1,720,434)	19,566
Salaries & Benefits	1,823,364	1,910,436	1,753,823	(156,613)
Personnel Expense	12,700	12,700	10,934	(1,766)
Occupancy	53,700	53,700	48,597	(5,103)
Communication	10,400	10,400	7,715	(2,685)
Supplies & Minor Equipment	61,100	61,430	52,357	(9,073)
Transportation	8,000	7,700	435	(7,265)
Consultant/Contracted Svcs	120,000	120,000	116,789	(3,211)
Other Expenses	58,500	58,470	46,208	(12,262)
Total Expenditures	407,764	494,836	316,424	(178,412)
Adult Probation				
Reimbursement from				
Offender's Supervisory				
Fund	(901,349)	(901,349)	(763,239)	138,110
Salaries & Benefits	1,134,249	1,228,116	1,226,290	(1,826)
Personnel Expense	100	600	201	(399)
Communication	4,300	4,300	3,799	(501)
Supplies & Minor Equipment	13,200	29,098	22,918	(6,180)
Transportation	5,000	5,075	5,073	(2)
Consultant/Contracted Svcs	-	10,520	10,520	-
Other Expenses	10,000	8,313	-	(8,313)
Total Expenditures	265,500	384,673	505,562	120,889

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Intermediate Punishment Program				
Salaries & Benefits	\$ 328,698	\$ 365,195	\$ 365,175	\$ (20)
Occupancy	36,100	36,555	36,005	(550)
Communication	14,505	18,593	17,858	(735)
Supplies & Minor Equipment	91,000	83,457	51,407	(32,050)
Transportation	5,000	5,000	3,749	(1,251)
Other Expenses	4,000	4,000	1,373	(2,627)
Total Expenditures	479,303	512,800	475,567	(37,233)
Juvenile Services Division				
Reimbursement from the Children Youth Program	(1,800,000)	(1,800,000)	(2,211,545)	(411,545)
Salaries & Benefits	838,657	858,248	808,144	(50,104)
Personnel Expense	9,000	11,355	11,252	(103)
Communication	14,200	13,604	12,251	(1,353)
Lease Agreements	-	-	-	-
Supplies & Minor Equipment	11,200	9,656	8,674	(982)
Transportation	13,500	16,235	15,581	(654)
Consultant/Contracted Svcs	100,500	130,519	130,421	(98)
Other Expenses	2,924,300	4,019,677	4,014,885	(4,792)
Total Expenditures	2,111,357	3,259,294	2,789,663	(469,631)
Intensive Probation-JCJC				
Salaries & Benefits	186,858	212,901	212,895	(6)
Communication	2,865	2,065	2,046	(19)
Transportation	7,800	7,800	6,956	(844)
Supplies & Minor Equipment	5,014	45	29	(16)
Total Expenditures	202,537	222,811	221,926	(885)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Community Liaison-JCJC				
Salaries & Benefits	\$ 47,617	\$ 52,947	\$ 52,946	\$ (1)
Communication	800	1200	1,122	(78)
Supplies & Minor Equipment	-	187	187	-
Transportation	2,000	2,415	2,414	(1)
Other Expenses	2,600	2,200	2,080	(120)
Total Expenditures	53,017	58,949	58,749	(200)
 School Based Probation				
Salaries & Benefits	48,187	51,402	51,400	(2)
Communication	500	500	374	(126)
Supplies & Minor Equipment	-	-	-	-
Transportation	850	490	490	-
Other Expenses	-	-	-	-
Total Expenditures	49,537	52,392	52,264	(128)
 School Based Probation-JCJC				
Salaries & Benefits	95,249	101,484	101,419	(65)
Communication	1,100	1,181	1,181	-
Supplies & Minor Equipment	-	-	-	-
Transportation	3,400	6,369	6,369	-
Total Expenditures	99,749	109,034	108,969	(65)
 Total Public Safety	\$ 9,755,296	\$ 11,630,884	\$ 10,952,498	\$ (678,386)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
PUBLIC WORKS				
Department Of Public Works				
Salaries & Benefits	\$ 2,027,482	\$ 2,192,075	\$ 2,159,673	\$ (32,402)
Personnel Expense	1,300	3,803	2,662	(1,141)
Occupancy	39,200	39,200	30,843	(8,357)
Communication	11,588	17,558	12,857	(4,701)
Supplies & Minor Equipment	53,710	58,896	53,720	(5,176)
Transportation	5,000	1,500	1,184	(316)
Other Expenses	40,400	41,510	41,481	(29)
Total Expenditures	<u>2,178,680</u>	<u>2,354,542</u>	<u>2,302,420</u>	<u>(52,122)</u>
Airport Of Beaver County				
Salaries & Benefits	173,945	178,611	177,525	(1,086)
Personnel Expense	85	85	85	-
Occupancy	50,200	79,425	79,341	(84)
Communication	3,600	5,451	5,440	(11)
Supplies & Minor Equipment	18,000	15,344	15,343	(1)
County Match	3,721	-	-	-
Transportation	500	800	795	(5)
Consultant/Contracted	22,000	27,657	27,580	(77)
Other Expenses	13,500	10,500	10,341	(159)
Contra Revenue Accounts	13,000	12,669	11,213	(1,456)
Total Expenditures	<u>298,551</u>	<u>330,542</u>	<u>327,663</u>	<u>(2,879)</u>
Buildings And Grounds				
Occupancy	473,000	614,316	562,504	(51,812)
Communication	600	1800	1,125	(675)
Supplies & Minor Equipment	87,000	84,600	72,060	(12,540)
Other Expenses	47,000	59,000	26,569	(32,431)
Total Expenditures	<u>607,600</u>	<u>759,716</u>	<u>662,258</u>	<u>(97,458)</u>
Total Public Works	<u>\$ 3,084,831</u>	<u>\$ 3,444,800</u>	<u>\$ 3,292,341</u>	<u>\$ (152,459)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
CULTURE, RECREATION, AND CONSERVATION				
Conservation District				
Salaries & Benefits	\$ 216,803	\$ 250,936	\$ 249,758	\$ (1,178)
Reimbursement Income	(8,000)	(8,000)	(8,000)	-
Personnel Expense	1,300	1,300	1,300	-
Communication	6,850	8,230	8,149	(81)
Supplies & Minor Equip	3,150	3,195	2,838	(357)
Transportation	1,900	1,900	1,423	(477)
Consultant/Contracted Svcs	-	-	-	-
Other Expenses	8,500	5,367	5,218	(149)
Total Expenditures	230,503	262,928	260,686	(2,242)
Waste Management				
Salaries & Benefits	196,853	222,947	221,315	(1,632)
Personnel Expense	410	417	392	(25)
Occupancy	30,000	29,680	27,808	(1,872)
Communication	7,600	7,700	5,603	(2,097)
Supplies & Minor Equipment	28,200	28,400	26,441	(1,959)
Transportation	3,200	3,400	3,228	(172)
Consultant/Contracted Svcs	45,000	25,500	22,468	(3,032)
Other Expenses	83,700	98,513	29,328	(69,185)
Total Expenditures	394,963	416,557	336,583	(79,974)
Agriculture/Ed/Environmental				
Occupancy	41,400	41,400	32,968	(8,432)
Supplies & Minor Equipment	1,350	9,210	8,787	(423)
Other Expenses	2,050	2,315	1,494	(821)
Total Expenditures	44,800	52,925	43,249	(9,676)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Favorable (Unfavorable)
Library Commission				
Salaries & Benefits	\$ 458,173	\$ 483,525	\$ 471,299	\$ (12,226)
Personnel Expense	96,500	93,730	91,297	(2,433)
Occupancy	16,686	16,686	15,821	(865)
Communication	22,000	22,805	17,007	(5,798)
Supplies & Minor Equipment	60,250	83,514	76,285	(7,229)
Transportation	7,500	8,350	8,343	(7)
Consultant/Contracted	20,000	4,607	4,558	(49)
Other Expenses	694,017	707,899	668,966	(38,933)
Total Expenditures	1,375,126	1,421,116	1,353,576	(67,540)
Parks/Shelter/Recreation				
Salaries & Benefits	123,508	134,956	134,950	(6)
Occupancy	4,000	4,000	2,877	(1,123)
Communication	12,500	6,847	3,702	(3,145)
Supplies & Minor Equipment	15,300	18,653	11,163	(7,490)
Transportation	2,500	2,500	2,482	(18)
Consultant/Contracted	-	52,500	52,500	-
Other Expenses	2,300	2,300	1,930	(370)
Total Expenditures	160,108	221,756	209,604	(12,152)
DPW/Parks				
Occupancy	35,000	35,088	31,651	(3,437)
Communication	5,000	5,000	4,996	(4)
Supplies & Minor Equipment	82,500	77,400	72,057	(5,343)
Other Expenses	10,000	10,100	10,096	(4)
Total Expenditures	132,500	127,588	118,800	(8,788)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Favorable (Unfavorable)
Tourist Promotion				
Personnel Expense	\$ 4,400	\$ 4,400	\$ 3,057	\$ (1,343)
Communication	97,200	96,800	87,397	(9,403)
Supplies & Minor Equipment	9,000	9,400	3,094	(6,306)
Transportation	2,700	2,700	2,681	(19)
Consultant/Contracted	-	4,300	-	(4,300)
Other Expenses	13,800	13,800	12,127	(1,673)
Total Expenditures	127,100	131,400	108,356	(23,044)
Ice Arena				
Salaries & Benefits	366,984	378,493	338,125	(40,368)
Personnel Expense	10,000	10,295	5,699	(4,596)
Occupancy	197,200	195,427	171,099	(24,328)
Communication	9,150	8,555	6,156	(2,399)
Supplies & Minor Equipment	22,800	31,059	24,186	(6,873)
Transportation	1,000	1,000	495	(505)
Other Expenses	15,500	12,759	11,777	(982)
Total Expenditures	622,634	637,588	557,537	(80,051)
Pool				
Salaries & Benefits	35,043	46,558	46,179	(379)
Occupancy	14,400	18,512	14,963	(3,549)
Communication	1,900	6,235	3,623	(2,612)
Supplies & Minor Equipment	3,600	10,580	10,113	(467)
Other Expenses	10,600	11,325	10,720	(605)
Total Expenditures	65,543	93,210	85,598	(7,612)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
DPW-Ballfields				
Salaries & Benefits	\$ 11,046	\$ 11,632	\$ 11,133	\$ (499)
Occupancy	2,900	2,700	598	(2,102)
Supplies & Minor Equipment	5,500	3,411	3,244	(167)
Other Expenses	11,000	9,300	9,182	(118)
Total Expenditures	<u>30,446</u>	<u>27,043</u>	<u>24,157</u>	<u>(2,886)</u>
 Total Culture, Recreation and Conservation	 <u>\$ 3,183,723</u>	 <u>\$ 3,392,111</u>	 <u>\$ 3,098,146</u>	 <u>\$ (293,965)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
HUMAN SERVICES				
County Matches/Subsidies				
Salaries & Benefits	\$ 1	\$ 1	\$ -	\$ (1)
Subsidies	1,462,400	1,512,454	1,489,439	(23,015)
Consultant/Contracted	-	77,570	77,570	-
Supplies & Minor Equipment	-	2,825	2,825	-
County Match	1,538,239	1,532,568	1,472,599	(59,969)
Transportation	-	-	-	-
Other Expenses	31,870	8,760	-	(8,760)
Contra Revenue Accounts	-	2,437	2,437	-
Total Expenditures	<u>3,032,510</u>	<u>3,136,615</u>	<u>3,044,870</u>	<u>(91,745)</u>
Beaver County Transit Authority				
Subsidies	810,000	810,000	810,000	-
Contra Revenue Accounts	<u>600,000</u>	<u>621,924</u>	<u>621,924</u>	<u>-</u>
Total Expenditures	<u>1,410,000</u>	<u>1,431,924</u>	<u>1,431,924</u>	<u>-</u>
Total Human Services	<u>\$ 4,442,510</u>	<u>\$ 4,568,539</u>	<u>\$ 4,476,794</u>	<u>\$ (91,745)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Miscellaneous				
Insurance	\$ 854,700	\$ 665,874	\$ 520,205	\$ (145,669)
Bank charges	15,000	15,151	15,150	(1)
Indirect cost study	13,000	13,000	12,000	(1,000)
Other expenses	294,585	137,704	45,598	(92,106)
Total expenditures	<u>1,177,285</u>	<u>831,729</u>	<u>592,953</u>	<u>(238,776)</u>
Debt Service				
Principal	\$ 1,301,488	\$ 1,905,001	\$ 1,905,000	\$ (1)
Interest	4,410,514	3,452,001	3,447,171	(4,830)
Total expenditures	<u>5,712,002</u>	<u>5,357,002</u>	<u>5,352,171</u>	<u>(4,831)</u>
Fixed Asset Acquisition				
Improvements	<u>\$ 359,550</u>	<u>\$ 493,394</u>	<u>\$ 9,039,229</u>	<u>\$ 8,545,835</u>
Infrastructure	<u>\$ 161,000</u>	<u>\$ 161,000</u>	<u>\$ 82,600</u>	<u>\$ (78,400)</u>
TOTAL EXPENDITURES	<u><u>\$ 46,700,369</u></u>	<u><u>\$ 49,101,248</u></u>	<u><u>\$ 54,616,602</u></u>	<u><u>\$ 5,515,354</u></u>

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County of Beaver, Pennsylvania

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2002

	<u>Special Revenue</u>					
	<u>County Records Improvement</u>	<u>Domestic Relations</u>	<u>Offender's Supervisory</u>	<u>Victim Witness / Stop Grants</u>	<u>Hazardous Materials/ Act 147 Grants</u>	<u>Liquid Fuels</u>
ASSETS						
Cash and Cash Equivalents	\$ 85,258	\$ 32,891	\$ 1,167,784	\$ 33,903	\$ 141,126	\$ 1,455,901
Due From Other Funds	-	-	-	-	-	-
Accounts Receivable	6,748	351,716	19,917	65,952	-	276,112
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 92,006</u>	<u>\$ 384,607</u>	<u>\$ 1,187,701</u>	<u>\$ 99,855</u>	<u>\$ 141,126</u>	<u>\$ 1,732,013</u>
LIABILITIES						
Accounts Payable	\$ -	\$ 14,861	\$ -	\$ 10,210	\$ 3,081	\$ 474,243
Due to Other Funds	-	116,217	828,730	23,057	5,158	25,676
Deferred Revenue	-	-	-	-	35,439	-
Accrued Vacation	-	-	-	-	-	-
TOTAL LIABILITIES	-	131,078	828,730	33,267	43,678	499,919
FUND BALANCE						
Reserved for Encumbrances	14,417	-	-	6,367	42,020	358,530
Unreserved, undesignated	77,589	253,529	358,971	60,221	55,428	873,564
TOTAL FUND BALANCE	<u>92,006</u>	<u>253,529</u>	<u>358,971</u>	<u>66,588</u>	<u>97,448</u>	<u>1,232,094</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 92,006</u>	<u>\$ 384,607</u>	<u>\$ 1,187,701</u>	<u>\$ 99,855</u>	<u>\$ 141,126</u>	<u>\$ 1,732,013</u>

Capital Projects								Total Nonmajor Governmental Funds
Community Development	County Office on Aging	Child Care Resource Management	Totals	Courtroom Improvement	FAA Projects	Parking Garage	Totals	
\$ 1,457,998	\$ 1,497,991	\$ 582,229	\$6,455,081	\$ 49,282	\$ 5,601	\$ 33,255	\$ 88,138	\$ 6,543,219
576,420	142,364	-	1,439,229	-	-	-	-	1,439,229
-	-	-	-	158,193	6,270	833,473	997,936	997,936
<u>\$ 2,034,418</u>	<u>\$ 1,640,355</u>	<u>\$ 582,229</u>	<u>\$7,894,310</u>	<u>\$207,475</u>	<u>\$ 11,871</u>	<u>\$866,728</u>	<u>\$1,086,074</u>	<u>\$ 8,980,384</u>
\$ 771,871	\$ 201,237	\$ 392,477	\$1,867,980	\$ 3,002	\$ -	\$269,417	\$ 272,419	\$ 2,140,399
4,307	51,801	7,569	1,062,515	-	-	-	-	1,062,515
353,016	328,581	-	717,136	-	-	-	-	717,136
-	-	-	-	-	-	-	-	-
1,129,194	581,719	400,046	3,647,631	3,002	-	269,417	272,419	3,920,050
5,959	145,470	1,900	574,663	-	-	72,529	72,529	647,192
899,265	913,166	180,283	3,672,016	204,473	11,871	524,782	741,126	4,413,142
905,224	1,058,636	182,183	4,246,679	204,473	11,871	597,311	813,655	5,060,334
<u>\$ 2,034,418</u>	<u>\$ 1,640,355</u>	<u>\$ 582,229</u>	<u>\$7,894,310</u>	<u>\$207,475</u>	<u>\$ 11,871</u>	<u>\$866,728</u>	<u>\$1,086,074</u>	<u>\$ 8,980,384</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2002**

	<u>Special Revenue</u>					
	<u>County Records Improvement</u>	<u>Domestic Relations</u>	<u>Offender's Supervisory</u>	<u>Victim Witness / Stop Grants</u>	<u>Hazardous Materials/ Act 147 Grants</u>	<u>Liquid Fuels</u>
REVENUES						
Investment Income	\$ 1,260	\$ 2,330	\$ 20,962	\$ 1,122	\$ 1,820	\$ 21,077
Intergovernmental	-	1,672,731	178,771	328,625	161,308	2,394,064
Departmental Earnings	57,625	-	238,935	-	-	85,394
Program / Project Income	-	59,955	-	-	-	-
Miscellaneous	-	22,725	-	-	-	23
TOTAL REVENUES	58,885	1,757,741	438,668	329,747	163,128	2,500,558
EXPENDITURES						
Current						
General Government	3,409	-	-	-	-	-
Judicial	-	1,709,819	969,724	335,911	-	-
Public Safety	-	-	-	-	87,763	-
Public Works and Enterprises	-	-	-	-	-	2,603,409
Intergovernmental						
Operating / Human Services	-	-	-	-	-	-
Capital Outlay						
Infrastructure						106,466
Fixed Asset Acquisition	38,982	3,798	-	3,452	57,893	13,637
TOTAL EXPENDITURES	42,391	1,713,617	969,724	339,363	145,656	2,723,512
Excess (Deficiency) of Revenue over (under) Expenditures	16,494	44,124	(531,056)	(9,616)	17,472	(222,954)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Proceeds of Long-Term Capital Related Debt	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Changes in Fund Balances	16,494	44,124	(531,056)	(9,616)	17,472	(222,954)
Fund Balance - Beginning	75,512	209,405	890,027	76,204	79,976	1,455,048
Fund Balance - Ending	\$ 92,006	\$ 253,529	\$ 358,971	\$ 66,588	\$ 97,448	\$ 1,232,094

Capital Projects								Total Nonmajor Governmental Totals
Community Development	County Office on Aging	Child Care Resource Management	Totals	Courtroom Improvement	FAA Project	Parking Garage	Totals	
\$ 25,559	\$ 24,419	\$ 10,714	\$ 109,263	\$ 3,663	\$ 307	\$ 21,971	\$ 25,941	\$ 135,204
6,268,306	4,597,136	5,418,547	21,019,488	-	699,186	-	699,186	21,718,674
-	-	-	381,954	-	-	-	-	381,954
524,775	8,053	-	592,783	-	-	-	-	592,783
-	30,102	45	52,895	-	-	-	-	52,895
-	-	-	-	-	-	-	-	-
6,818,640	4,659,710	5,429,306	22,156,383	3,663	699,493	21,971	725,127	22,881,510
-	-	-	3,409	-	-	-	-	3,409
-	-	-	3,015,454	-	-	-	-	3,015,454
-	-	-	87,763	-	-	-	-	87,763
7,287,452	-	-	9,890,861	-	-	221,337	221,337	10,112,198
-	-	-	-	-	-	-	-	-
-	4,284,287	5,767,887	10,052,174	-	-	-	-	10,052,174
-	-	-	-	-	-	-	-	-
-	-	-	106,466	-	710,059	22,039	732,098	838,564
2,906	98,185	20,167	239,020	12,592	22,456	3,506,284	3,541,332	3,780,352
7,290,358	4,382,472	5,788,054	23,395,147	12,592	732,515	3,749,660	4,494,767	27,889,914
(471,718)	277,238	(358,748)	(1,238,764)	(8,929)	(33,022)	(3,727,689)	(3,769,640)	(5,008,404)
-	-	-	-	-	544,000	-	544,000	544,000
-	-	-	-	-	(546,604)	-	(546,604)	(546,604)
-	-	-	-	-	-	4,325,000	4,325,000	4,325,000
-	-	-	-	-	(2,604)	4,325,000	4,322,396	4,322,396
(471,718)	277,238	(358,748)	(1,238,764)	(8,929)	(35,626)	597,311	552,756	(686,008)
1,376,942	781,398	540,931	5,485,443	213,402	47,497	-	260,899	5,746,342
\$ 905,224	\$ 1,058,636	\$ 182,183	\$4,246,679	\$ 204,473	\$ 11,871	\$ 597,311	\$ 813,655	\$ 5,060,334

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<u>GENERAL GOVERNMENT</u>				
County Records Improvement				
Revenues				
Departmental Earnings	\$ 28,000	\$ 28,000	\$ 57,625	\$ 29,625
Interest	600	600	1,260	660
Total Revenues	<u>28,600</u>	<u>28,600</u>	<u>58,885</u>	<u>30,285</u>
Expenditures				
Other Expenditures	-	8,479	3,409	(5,070)
Capital Outlay	-	93,116	38,982	(54,134)
Total Expenditures	<u>-</u>	<u>101,595</u>	<u>42,391</u>	<u>(59,204)</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	28,600	(72,995)	16,494	89,489
Fund Balance -				
January 1, 2002	<u>61,000</u>	<u>61,000</u>	<u>75,512</u>	<u>14,512</u>
Fund Balance -				
December 31, 2002	<u>\$ 89,600</u>	<u>\$ (11,995)</u>	<u>\$ 92,006</u>	<u>\$ 104,001</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>JUDICIAL</u>				
Domestic Relations				
Revenues				
Intergovernmental	\$ 1,251,032	\$ 1,428,691	\$ 1,672,731	\$ 244,040
Program / Project Income	54,000	54,000	59,955	5,955
Interest	-	-	2,330	2,330
Miscellaneous	10,000	20,000	22,725	2,725
Total Revenues	<u>1,315,032</u>	<u>1,502,691</u>	<u>1,757,741</u>	<u>255,050</u>
Expenditures				
Salaries & Benefits	1,305,376	1,439,415	1,438,194	(1,221)
Personnel Expense	4,900	4,900	3,060	(1,840)
Occupancy	600	609	609	-
Communication	44,500	44,938	42,906	(2,032)
Supplies & Minor Equip.	30,500	41,100	33,351	(7,749)
Transportation	7,000	10,000	8,800	(1,200)
Consultant/Contracted Svcs.	4,000	8,597	8,597	-
Other Expenditures	109,500	182,377	174,302	(8,075)
Contra Revenue Accounts	-	-	-	-
Capital Outlay	48,656	10,755	3,798	(6,957)
Total Expenditures	<u>1,555,032</u>	<u>1,742,691</u>	<u>1,713,617</u>	<u>(29,074)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(240,000)	(240,000)	44,124	284,124
Fund Balance - January 1, 2002	240,000	240,000	209,405	(30,595)
Fund Balance - December 31, 2002	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,529</u>	<u>\$ 253,529</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
Offender's Supervisory				
Revenues				
Departmental Earnings	\$ 435,734	\$ 435,734	\$ 238,935	\$ (196,799)
Intergovernmental	197,000	197,000	178,771	(18,229)
Interest	(32,000)	32,000	20,962	(11,038)
Total Revenues	<u>600,734</u>	<u>664,734</u>	<u>438,668</u>	<u>(226,066)</u>
Expenditures				
Reimburse Other Funds	901,349	969,724	969,724	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>901,349</u>	<u>969,724</u>	<u>969,724</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(300,615)	(304,990)	(531,056)	(226,066)
Fund Balance - January 1, 2002	<u>1,020,000</u>	<u>1,020,000</u>	<u>890,027</u>	<u>(129,973)</u>
Fund Balance - December 31, 2002	<u>\$ 719,385</u>	<u>\$ 715,010</u>	<u>\$ 358,971</u>	<u>\$ (356,039)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
Victim Witness / Stop Grant				
Revenues				
Intergovernmental	\$ 365,147	\$ 365,147	\$ 328,625	\$ (36,522)
Interest	200	200	1,122	922
Miscellaneous	-	-	-	-
Total Revenues	<u>365,347</u>	<u>365,347</u>	<u>329,747</u>	<u>(35,600)</u>
Expenditures				
Salaries & Benefits	220,998	261,209	235,120	(26,089)
Personnel Expense	-	-	-	-
Lease Agreements	-	-	-	-
Communication	13,500	12,282	6,850	(5,432)
Supplies & Minor Equip.	12,969	14,569	12,068	(2,501)
Transportation	7,000	7,000	2,663	(4,337)
Consultant/Contracted Svcs.	3,000	5,892	4,792	(1,100)
Other Expenditures	29,411	20,887	16,148	(4,739)
Reimbursement to State	58,500	59,807	58,270	(1,537)
Capital Outlay	21,937	16,437	3,452	(12,985)
Total Expenditures	<u>367,315</u>	<u>398,083</u>	<u>339,363</u>	<u>(58,720)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,968)	(32,736)	(9,616)	23,120
Fund Balance - January 1, 2002	<u>87,000</u>	<u>92,214</u>	<u>76,204</u>	<u>(16,010)</u>
Fund Balance - December 31, 2002	<u>\$ 85,032</u>	<u>\$ 59,478</u>	<u>\$ 66,588</u>	<u>\$ 7,110</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
<u>PUBLIC SAFETY</u>				
Hazardous Material / Act 147 Grants				
Revenues				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 161,308	\$ 26,308
Interest	4,320	4,320	1,820	(2,500)
Departmental Earnings	10,000	10,000	-	(10,000)
Miscellaneous	-	-	-	-
Total Revenues	<u>149,320</u>	<u>149,320</u>	<u>163,128</u>	<u>13,808</u>
Expenditures				
Salaries & Benefits	1,724	1,724	-	(1,724)
Personnel Expense	12,000	7,000	467	(6,533)
Occupancy	13,000	13,000	7,052	(5,948)
Communication	6,000	11,000	8,580	(2,420)
Supplies & Minor Equipment	35,500	35,500	17,227	(18,273)
Transportation	10,500	15,500	12,665	(2,835)
Other Expenditures	46,593	50,273	41,772	(8,501)
Capital Outlay	129,878	121,198	57,893	(63,305)
Total Expenditures	<u>255,195</u>	<u>255,195</u>	<u>145,656</u>	<u>(109,539)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(105,875)	(105,875)	17,472	123,347
Fund Balance - January 1, 2002	170,000	170,000	79,976	(90,024)
Fund Balance - December 31, 2002	<u>\$ 64,125</u>	<u>\$ 64,125</u>	<u>\$ 97,448</u>	<u>\$ 33,323</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<u>PUBLIC WORKS</u>				
Liquid Fuels				
Revenues				
Intergovernmental	\$ 3,887,000	\$ 3,887,000	\$ 2,394,064	\$ (1,492,936)
Departmental Earnings	62,660	62,660	85,394	22,734
Interest	40,000	40,000	21,077	(18,923)
Miscellaneous	-	-	23	23
Total Revenues	<u>3,989,660</u>	<u>3,989,660</u>	<u>2,500,558</u>	<u>(1,489,102)</u>
Expenditures				
Salaries & Benefits	-	19,797	19,749	(48)
Consultant/Contracted Svcs.	560,900	549,731	408,483	(141,248)
Communication	1,500	7,500	4,434	(3,066)
Supplies & Minor Equip.	45,000	85,788	49,407	(36,381)
Transportation	-	1,500	706	(794)
Other Expenditures	3,332,516	3,354,874	2,120,630	(1,234,244)
Infrastructure	-	133,015	106,466	(26,549)
Capital Outlay	56,328	35,328	13,637	(21,691)
Total Expenditures	<u>3,996,244</u>	<u>4,187,533</u>	<u>2,723,512</u>	<u>(1,464,021)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(6,584)	(197,873)	(222,954)	(25,081)
Fund Balance - January 1, 2002	<u>1,163,120</u>	<u>1,163,120</u>	<u>1,455,048</u>	<u>291,928</u>
Fund Balance - December 31, 2002	<u>\$ 1,156,536</u>	<u>\$ 965,247</u>	<u>\$ 1,232,094</u>	<u>\$ 266,847</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Community Development				
Revenues				
Intergovernmental	\$ 8,113,366	\$ 8,466,382	\$ 6,268,306	\$ (2,198,076)
Program / Project Income	450,000	450,000	524,775	74,775
Interest	24,000	24,000	25,559	1,559
Total Revenues	<u>8,587,366</u>	<u>8,940,382</u>	<u>6,818,640</u>	<u>(2,121,742)</u>
Expenditures				
Reimbursement Income	-	-	-	-
Salaries & Benefits	337,306	356,443	329,272	(27,171)
Debt Payments	208,222	208,222	208,222	-
Personnel Expense	5,937	8,437	7,493	(944)
Consultant/Contracted Svcs.	7,284,295	7,873,090	5,803,284	(2,069,806)
Sub Contracted Services	1,027,367	1,030,061	833,388	(196,673)
Communication	19,100	26,600	24,075	(2,525)
Supplies & Minor Equip.	12,388	23,503	16,129	(7,374)
Transportation	5,000	5,720	5,720	-
Other Expenditures	77,000	92,366	57,609	(34,757)
Occupancy	251	3,881	2,260	(1,621)
Capital Outlay	4,500	4,500	2,906	(1,594)
Total Expenditures	<u>8,981,366</u>	<u>9,632,823</u>	<u>7,290,358</u>	<u>(2,342,465)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(394,000)	(692,441)	(471,718)	220,723
Fund Balance - January 1, 2002	<u>1,124,500</u>	<u>1,124,500</u>	<u>1,376,942</u>	<u>252,442</u>
Fund Balance - December 31, 2002	<u>\$ 730,500</u>	<u>\$ 432,059</u>	<u>\$ 905,224</u>	<u>\$ 473,165</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
<u>HUMAN SERVICES</u>				
Office on Aging				
Revenues				
Intergovernmental	\$ 6,175,343	\$ 6,239,678	\$ 4,597,136	\$ (1,642,542)
Program / Project Income	-	-	8,053	8,053
Interest and Rents	37,500	37,500	24,419	(13,081)
Miscellaneous	25,750	25,750	30,102	4,352
Total Revenues	<u>6,238,593</u>	<u>6,302,928</u>	<u>4,659,710</u>	<u>(1,643,218)</u>
Expenditures				
Reimbursement to State	50,000	50,000	-	(50,000)
Salaries & Benefits	1,748,397	1,835,310	1,732,919	(102,391)
Personnel Expense	26,200	26,200	7,554	(18,646)
Consultant/Contracted Svcs.	102,000	122,541	61,320	(61,221)
Sub Contracted Services	4,090,000	4,009,335	2,203,266	(1,806,069)
Occupancy	158,000	158,000	113,037	(44,963)
Communication	85,500	85,500	60,470	(25,030)
Supplies & Minor Equip.	133,500	123,948	25,600	(98,348)
Transportation	40,000	40,000	39,387	(613)
Other Expenditures	106,071	92,582	40,734	(51,848)
Capital Outlay	158,500	306,000	98,185	(207,815)
Total Expenditures	<u>6,698,168</u>	<u>6,849,416</u>	<u>4,382,472</u>	<u>(2,466,944)</u>
Excess (Deficiency) of Revenue Over (Under)Expenditures	(459,575)	(546,488)	277,238	823,726
Fund Balance - January 1, 2002	<u>970,000</u>	<u>970,000</u>	<u>781,398</u>	<u>(188,602)</u>
Fund Balance - December 31, 2002	<u>\$ 510,425</u>	<u>\$ 423,512</u>	<u>\$ 1,058,636</u>	<u>\$ 635,124</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Child Care Resource Management				
Revenues				
Intergovernmental	\$ 5,538,791	\$ 5,538,791	\$ 5,418,547	\$ (120,244)
Interest	42,500	42,500	10,714	(31,786)
Miscellaneous	-	-	45	45
Total Revenues	<u>5,581,291</u>	<u>5,581,291</u>	<u>5,429,306</u>	<u>(151,985)</u>
Expenditures				
Reimbursement to State	-	783,121	738,121	(45,000)
Salaries & Benefits	461,802	472,461	419,028	(53,433)
Personnel Expense	19,850	10,850	6,607	(4,243)
Consultant/Contracted Svcs	9,500	23,616	20,341	(3,275)
Sub Contracted Services	4,560,000	4,323,844	4,323,684	(160)
Occupancy	35,000	35,000	33,569	(1,431)
Communication	123,000	79,255	73,030	(6,225)
Supplies & Minor Equip.	132,000	92,481	72,329	(20,152)
Transportation	15,000	15,000	5,143	(9,857)
Other Expenditures	83,000	82,000	76,035	(5,965)
Capital Outlay	12,000	26,529	20,167	(6,362)
Total Expenditures	<u>5,451,152</u>	<u>5,944,157</u>	<u>5,788,054</u>	<u>(156,103)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	130,139	(362,866)	(358,748)	4,118
Fund Balance - January 1, 2002	<u>362,866</u>	<u>362,866</u>	<u>540,931</u>	<u>178,065</u>
Fund Balance - December 31, 2002	<u>\$ 493,005</u>	<u>\$ -</u>	<u>\$ 182,183</u>	<u>\$ 182,183</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
Courtroom Improvement Project				
Revenues				
Interest	\$ -	\$ -	\$ 3,663	\$ 3,663
Total Revenues	<u>-</u>	<u>-</u>	<u>3,663</u>	<u>3,663</u>
Expenditures				
Fixed Assets	193,393	193,393	12,592	(180,801)
Infrastructure	-	-	-	-
Other Expenditures	-	-	-	-
Total Expenditures	<u>193,393</u>	<u>193,393</u>	<u>12,592</u>	<u>(180,801)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(193,393)	(193,393)	(8,929)	184,464
Fund Balance - January 1, 2002	212,379	212,379	213,402	1,023
Fund Balance - December 31, 2002	<u>\$ 18,986</u>	<u>\$ 18,986</u>	<u>\$ 204,473</u>	<u>\$ 185,487</u>

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County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2002**

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
FAA Projects				
Revenues				
Intergovernmental	\$ 802,950	\$ 802,950	\$ 699,186	\$ (103,764)
Interest	500	500	307	(193)
Total Revenues	<u>803,450</u>	<u>803,450</u>	<u>699,493</u>	<u>(103,957)</u>
Expenditures				
Infrastructure	722,248	711,275	710,059	(1,216)
Fixed Assets	-	22,457	22,456	(1)
Other Expenditures	76,870	76,870	-	(76,870)
Total Expenditures	<u>799,118</u>	<u>810,602</u>	<u>732,515</u>	<u>(78,087)</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	4,332	(7,152)	(33,022)	(25,870)
Other Financing Sources (Uses)				
Other Financing Sources	-	544,000	544,000	-
Other Financing Uses	-	(546,604)	(546,604)	-
Total Financing Sources (Uses)	<u>-</u>	<u>(2,604)</u>	<u>(2,604)</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	4,332	(9,756)	(35,626)	(25,870)
Fund Balance - January 1, 2002	<u>44,000</u>	<u>44,000</u>	<u>47,497</u>	<u>3,497</u>
Fund Balance - December 31, 2002	<u>\$ 48,332</u>	<u>\$ 34,244</u>	<u>\$ 11,871</u>	<u>\$ (22,373)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2002**

	<u>Budget</u>		<u>2002</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Parking Garage				
Revenues				
Interest	\$ 3,000	\$ 3,000	\$ 21,971	\$ 18,971
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>21,971</u>	<u>18,971</u>
Expenditures				
Fixed Assets	-	3,573,640	3,506,284	(67,356)
Infrastructure	-	22,040	22,039	(1)
Other Expenditures	<u>3,470,693</u>	<u>247,142</u>	<u>221,337</u>	<u>(25,805)</u>
Total Expenditures	<u>3,470,693</u>	<u>3,842,822</u>	<u>3,749,660</u>	<u>(93,162)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(3,467,693)	(3,839,822)	(3,727,689)	112,133
Other Financing Sources				
Proceeds of Long-Term Capital Related Debt	4,100,000	4,320,849	4,325,000	4,151
Transfers to 1996 Bond Fund	<u>(388,560)</u>	<u>(388,560)</u>	<u>-</u>	<u>388,560</u>
Total Financing Sources	<u>3,711,440</u>	<u>3,932,289</u>	<u>4,325,000</u>	<u>392,711</u>
Fund Balance - January 1, 2002	-	-	-	-
Fund Balance - December 31, 2002	<u>\$ 243,747</u>	<u>\$ 92,467</u>	<u>\$ 597,311</u>	<u>\$ 504,844</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
1996 BOND ISSUE**

For the Year Ended December 31, 2002

	Budget		2002	Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 206,485	\$ 200,485
Interest	240,000	240,000	275,120	35,120
Miscellaneous	-	-	-	-
Total Revenues	<u>246,000</u>	<u>246,000</u>	<u>481,605</u>	<u>235,605</u>
Expenditures				
Fixed Assets	56,500	6,108,799	4,831,911	(1,276,888)
Infrastructure	295,000	739,936	360,603	(379,333)
Other Expenditures	<u>6,484,631</u>	<u>1,011,282</u>	<u>162,445</u>	<u>(848,837)</u>
Total Expenditures	<u>6,836,131</u>	<u>7,860,017</u>	<u>5,354,959</u>	<u>(2,505,058)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(6,590,131)	(7,614,017)	(4,873,354)	2,740,663
Other Financing Sources	388,560	388,560	-	(388,560)
Fund Balance - Beginning	<u>14,283,079</u>	<u>14,283,079</u>	<u>13,740,623</u>	<u>(542,456)</u>
Fund Balance - Ending	<u>\$ 8,081,508</u>	<u>\$ 7,057,622</u>	<u>\$ 8,867,269</u>	<u>\$ 1,809,647</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Clerk of Courts				
ASSETS				
Cash and cash equivalents	\$ 183,483	1,122,541	1,076,300	\$ 229,724
	<u>183,483</u>	<u>1,122,541</u>	<u>1,076,300</u>	<u>229,724</u>
LIABILITIES				
Accounts Payable	182,889	1,122,275	1,076,300	228,864
Due to Other Funds	594	266	-	860
	<u>\$ 183,483</u>	<u>1,122,541</u>	<u>1,076,300</u>	<u>\$ 229,724</u>
Clerk of Courts Automation - Act 136				
ASSETS				
Cash and cash equivalents	\$ 6,297	9,968	9,349	\$ 6,916
Due from Other Funds	594	266	-	860
	<u>6,891</u>	<u>10,234</u>	<u>9,349</u>	<u>7,776</u>
LIABILITIES				
Accounts Payable	6,891	10,234	9,349	7,776
	<u>\$ 6,891</u>	<u>10,234</u>	<u>9,349</u>	<u>\$ 7,776</u>
Domestic Relations - Support Payments				
ASSETS				
Cash and cash equivalents	\$ 52,467	543,129	550,742	\$ 44,854
	<u>52,467</u>	<u>543,129</u>	<u>550,742</u>	<u>44,854</u>
LIABILITIES				
Accounts Payable	52,467	543,129	550,742	44,854
	<u>\$ 52,467</u>	<u>543,129</u>	<u>550,742</u>	<u>\$ 44,854</u>
Other Escrow				
ASSETS				
Cash and cash equivalents	\$ 452,021	155,927	229,304	\$ 378,644
Investments	150,694	78,787	-	229,481
Accounts Receivable	-	106	-	106
	<u>602,715</u>	<u>234,820</u>	<u>229,304</u>	<u>608,231</u>
LIABILITIES				
Accounts Payable	602,715	234,820	229,304	608,231
	<u>\$ 602,715</u>	<u>234,820</u>	<u>229,304</u>	<u>\$ 608,231</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Prothonotary				
ASSETS				
Cash and cash equivalents	\$ 220,530	232,728	171,240	\$ 282,018
	<u>220,530</u>	<u>232,728</u>	<u>171,240</u>	<u>282,018</u>
LIABILITIES				
Accounts Payable	219,770	232,418	171,240	280,948
Due to Other Funds	760	310	-	1,070
	<u>\$ 220,530</u>	<u>232,728</u>	<u>171,240</u>	<u>\$ 282,018</u>
Prothonotary Automation Fund				
ASSETS				
Cash and cash equivalents	\$ 39,171	14,861	-	\$ 54,032
Due from Other Funds	760	310	-	1,070
	<u>39,931</u>	<u>15,171</u>	<u>-</u>	<u>55,102</u>
LIABILITIES				
Accounts Payable	39,931	15,171	-	55,102
	<u>\$ 39,931</u>	<u>15,171</u>	<u>-</u>	<u>\$ 55,102</u>
Recorder of Deeds				
ASSETS				
Cash and cash equivalents	\$ 220,555	5,549,608	5,447,242	\$ 322,921
Accounts Receivable - State	3,666	280	-	3,946
	<u>224,221</u>	<u>5,549,888</u>	<u>5,447,242</u>	<u>326,867</u>
LIABILITIES				
Accounts Payable	224,221	5,549,888	5,447,242	326,867
	<u>\$ 224,221</u>	<u>5,549,888</u>	<u>5,447,242</u>	<u>\$ 326,867</u>
Recorder Records Improvement				
ASSETS				
Cash and cash equivalents	\$ 18,775	70,663	75,875	\$ 13,563
Due from Other Funds	3,286	3,638	-	6,924
	<u>22,061</u>	<u>74,301</u>	<u>75,875</u>	<u>20,487</u>
LIABILITIES				
Accounts Payable	22,061	74,301	75,875	20,487
	<u>\$ 22,061</u>	<u>74,301</u>	<u>75,875</u>	<u>\$ 20,487</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Register of Wills				
ASSETS				
Cash and cash equivalents	\$ 93,490	6,865,763	6,807,029	\$ 152,224
Accounts Receivable - State	1,871	3,804	-	5,675
	<u>95,361</u>	<u>6,869,567</u>	<u>6,807,029</u>	<u>157,899</u>
LIABILITIES				
Accounts Payable	92,075	6,865,929	6,807,029	150,975
Due to Other Funds	3,286	3,638	-	6,924
	<u>\$ 95,361</u>	<u>6,869,567</u>	<u>6,807,029</u>	<u>\$ 157,899</u>
Sheriff				
ASSETS				
Cash and cash equivalents	\$ 283,937	1,372,039	1,117,122	\$ 538,854
	<u>283,937</u>	<u>1,372,039</u>	<u>1,117,122</u>	<u>538,854</u>
LIABILITIES				
Accounts Payable	283,937	1,372,039	1,117,122	538,854
	<u>\$ 283,937</u>	<u>1,372,039</u>	<u>1,117,122</u>	<u>\$ 538,854</u>
Tax Claims				
ASSETS				
Cash and cash equivalents	\$ 969,157	7,236,436	6,958,121	\$ 1,247,472
	<u>969,157</u>	<u>7,236,436</u>	<u>6,958,121</u>	<u>1,247,472</u>
LIABILITIES				
Accounts Payable	969,157	7,236,436	6,958,121	1,247,472
	<u>\$ 969,157</u>	<u>7,236,436</u>	<u>6,958,121</u>	<u>\$ 1,247,472</u>
Treasurer				
ASSETS				
Cash and cash equivalents	\$ 25,200	222,784	206,349	\$ 41,635
	<u>25,200</u>	<u>222,784</u>	<u>206,349</u>	<u>41,635</u>
LIABILITIES				
Accounts Payable	25,200	222,784	206,349	41,635
	<u>\$ 25,200</u>	<u>222,784</u>	<u>206,349</u>	<u>\$ 41,635</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2002

	<u>Balance January 1, 2002 *</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
Total - Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 2,565,083	23,396,447	22,648,673	\$ 3,312,857
Investments	150,694	78,787	-	229,481
Due from Other Funds	4,640	4,214	-	8,854
Accounts Receivable - State	5,537	4,190	-	9,727
	<u>2,725,954</u>	<u>23,483,638</u>	<u>22,648,673</u>	<u>3,560,919</u>
LIABILITIES				
Accounts Payable	2,721,314	23,479,424	22,648,673	3,552,065
Due to Other Funds	4,640	4,214	-	8,854
	<u>\$ 2,725,954</u>	<u>23,483,638</u>	<u>22,648,673</u>	<u>\$ 3,560,919</u>

* The January 1, 2002 Cash, Due from Other Funds, and Due to Other Funds as previously reported in the 2001 CAFR were restated as a result of adopting GASB 34.

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STATISTICAL SECTION

County of Beaver, Pennsylvania
General Revenues by Source for all Governmental Fund Types - Last Ten Years
1993-2002

	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Investment Income</u>	<u>Inter Governmental Revenues</u>	<u>Project Revenues</u>
1993	\$ 20,951,646	\$ 24,650	\$ 767,734	\$ 30,151,350	\$ 436,453
1994	\$ 22,807,964	\$ 33,756	\$ 1,334,371	\$ 32,942,872	\$ 1,284,583
1995	\$ 23,234,718	\$ 25,167	\$ 1,542,548	\$ 35,835,824	\$ 970,067
1996	\$ 23,381,882	\$ 40,834	\$ 1,362,239	\$ 37,294,399	\$ 903,586
1997	\$ 30,039,445	\$ 45,129	\$ 4,583,408	\$ 41,951,072	\$ 985,650
1998	\$ 30,852,922	\$ 86,993	\$ 5,217,055	\$ 44,953,946	\$ 1,214,911
1999	\$ 28,632,793	\$ 89,527	\$ 5,305,292	\$ 49,758,901	\$ 1,302,569
2000	\$ 28,843,943	\$ 74,734	\$ 4,855,017	\$ 58,044,698	\$ 2,058,171
2001	\$ 28,163,762	\$ 80,080	\$ 2,886,844	\$ 58,203,733	\$ 1,873,172
2002	\$ 31,715,029	\$ 112,552	\$ 1,337,353	\$ 63,124,529	\$ 2,245,428

<u>Charges for Services and Facilities</u>	<u>Misc. Revenues</u>	<u>Total</u>
\$ 5,513,495	\$ 1,119,831	\$ 58,965,159
\$ 3,575,973	\$ 1,376,294	\$ 63,355,813
\$ 4,222,838	\$ 1,177,683	\$ 67,008,845
\$ 3,482,247	\$ 1,782,272	\$ 68,247,459
\$ 3,565,983	\$ 1,378,268	\$ 82,548,955
\$ 3,730,534	\$ 1,367,860	\$ 87,424,221
\$ 4,746,117	\$ 1,033,070	\$ 90,868,269
\$ 4,825,494	\$ 1,117,811	\$ 99,819,868
\$ 4,933,711	\$ 1,319,288	\$ 97,460,590
\$ 5,754,603	\$ 1,827,143	\$ 106,116,637

County of Beaver, Pennsylvania
General Government Expenditures by Function
for all Governmental Fund Types-Last Ten Years
1993-2002

<u>Year</u>	<u>General</u> <u>Government</u>	<u>Judicial</u>	<u>Public</u> <u>Safety (1)</u>	<u>Public</u> <u>Works</u>	<u>Culture,</u> <u>Recreation and</u> <u>Conservation</u>
1993	\$ 8,071,837	\$ 6,164,811	\$ 5,800,720	\$ 647,444	\$ 2,328,525
1994	\$ 6,990,055	\$ 6,552,739	\$ 7,202,756	\$ 2,253,706	\$ 1,920,667
1995	\$ 7,153,923	\$ 6,810,780	\$ 8,618,404	\$ 2,266,959	\$ 9,194,337
1996	\$ 7,576,303	\$ 8,692,502	\$ 7,210,269	\$ 2,387,472	\$ 7,988,113
1997	\$ 7,769,568	\$ 9,147,423	\$ 7,711,409	\$ 10,854,203	\$ 2,023,762
1998	\$ 7,615,930	\$ 9,459,935	\$ 8,096,825	\$ 9,217,563	\$ 1,958,900
1999	\$ 7,683,790	\$ 9,589,475	\$ 7,721,749	\$ 10,542,735	\$ 2,380,613
2000	\$ 7,799,771	\$ 10,450,728	\$ 9,582,188	\$ 13,805,776	\$ 2,470,877
2001	\$ 8,085,258	\$ 10,995,762	\$ 10,337,838	\$ 12,297,826	\$ 2,839,711
2002	\$ 8,765,584	\$ 11,983,149	\$ 11,040,261	\$ 13,566,984	\$ 3,098,146

Notes:

(1) - In 1997 and 1998 public safety expenditures have been reduced by \$633,940 and \$526,163, respectively, which were previously classified as miscellaneous revenues. This reclassification was done to be consistent with 1999.

(2) - Prior to 1997, infrastructure was included in various other functions.

<u>Human Services</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Infrastructure (2)</u>	<u>Fixed Assets</u>	<u>Total</u>
\$ 29,801,219	\$ 2,182,917	\$ 1,675,779	\$ -	\$ 1,551,443	\$ 58,224,695
\$ 32,565,942	\$ 638,901	\$ 2,014,807	\$ -	\$ 2,125,903	\$ 62,265,476
\$ 27,769,353	\$ 484,728	\$ 2,014,608	\$ -	\$ 2,849,537	\$ 67,162,629
\$ 30,763,006	\$ 446,444	\$ 2,023,883	\$ -	\$ 3,140,699	\$ 70,228,691
\$ 33,251,040	\$ 621,498	\$ 5,968,244	\$ 396,958	\$ 2,299,869	\$ 80,043,974
\$ 36,040,330	\$ 404,920	\$ 4,812,778	\$ 1,222,630	\$ 5,774,639	\$ 84,604,450
\$ 39,315,567	\$ 781,221	\$ 5,183,895	\$ 1,711,933	\$ 16,486,701	\$ 101,397,679
\$ 44,453,791	\$ 603,553	\$ 5,176,110	\$ 4,626,633	\$ 20,052,497	\$ 119,021,924
\$ 49,185,726	\$ 456,648	\$ 5,222,240	\$ 784,048	\$ 12,433,834	\$ 112,638,891
\$ 56,536,369	\$ 592,953	\$ 5,352,171	\$ 1,281,767	\$ 17,754,912	\$ 129,972,296

County of Beaver, Pennsylvania
Real Property Tax Levies and Collections
Assessed Value of Taxable Property - Last Ten Years
1993-2002

<u>Year</u>	<u>Tax Rate (Mills)</u>	<u>Certified Estimated Assessed Valuation</u>	<u>End of Year Actual Assessed Valuation</u>	<u>Total Taxes Levied</u>
1993	12.40	\$ 1,761,412,307	\$ 1,769,642,634	\$ 21,481,218
1994	12.40	\$ 1,792,642,837	\$ 1,796,884,241	\$ 22,228,771
1995	12.40	\$ 1,814,701,059	\$ 1,822,671,309	\$ 22,502,293
1996	12.40	\$ 1,830,548,706	\$ 1,836,309,435	\$ 22,698,804
1997	16.20	\$ 1,841,873,815	\$ 1,844,607,919	\$ 29,838,358
1998	16.20	\$ 1,864,177,198	\$ 1,866,911,302	\$ 30,199,670
1999	15.00	\$ 1,883,258,077	\$ 1,884,621,372	\$ 28,248,871
2000	13.70	\$ 2,025,875,575	\$ 2,029,109,475	\$ 27,798,799
2001	13.70	\$ 2,018,564,905	\$ 2,028,251,318	\$ 27,787,043
2002	15.70	\$ 2,038,174,715	\$ 2,046,020,103	\$ 32,122,516

<u>Current Tax Collections</u>	<u>Percentages of Levy Collected During Year</u>	<u>Delinquent & Lien Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percentage of Taxes Levied</u>
\$ 19,674,380	91.59%	\$ 1,277,266	\$ 20,951,646	97.53%
\$ 19,681,420	88.54%	\$ 3,126,544	\$ 22,807,964	102.61%
\$ 20,182,453	89.69%	\$ 3,052,265	\$ 23,234,718	103.25%
\$ 20,350,860	89.66%	\$ 3,031,022	\$ 23,381,882	103.01%
\$ 26,681,914	89.42%	\$ 3,357,531	\$ 30,039,445	100.67%
\$ 27,101,142	89.74%	\$ 3,751,780	\$ 30,852,922	102.16%
\$ 25,365,530	89.79%	\$ 3,267,263	\$ 28,632,793	101.36%
\$ 25,477,666	91.65%	\$ 3,366,277	\$ 28,843,943	103.76%
\$ 25,077,723	90.25%	\$ 3,086,040	\$ 28,163,763	101.36%
\$ 28,806,652	89.68%	\$ 2,844,509	\$ 31,651,161	98.53%

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County of Beaver, Pennsylvania
Assessed and Estimated Actual Value of Property
Last Ten Years

<u>Fiscal Year</u>	<u>End of Year Actual Assessed Valuation</u>	<u>End of Year Estimated Actual Valuation</u>	<u>Common Level Ratio</u>
1993	\$ 1,769,642,634	\$ 3,822,428,089	2.16
1994	\$ 1,796,884,241	\$ 4,078,927,227	2.27
1995	\$ 1,822,671,309	\$ 4,228,597,437	2.32
1996	\$ 1,836,309,435	\$ 4,407,142,644	2.40
1997	\$ 1,844,607,919	\$ 4,519,289,402	2.45
1998	\$ 1,866,911,302	\$ 4,816,631,159	2.58
1999	\$ 1,884,621,372	\$ 4,858,805,839	2.58
2000	\$ 2,029,109,475	\$ 4,051,751,150	2.00
2001	\$ 2,028,251,318	\$ 4,056,502,636	2.00
2002	\$ 2,046,020,103	\$ 5,832,242,004	2.85

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
City of Beaver Falls				
Municipal	28.00	24.00	24.00	24.00
School District	54.00	52.00	49.00	48.00
City of Aliquippa				
Municipal	86.00	77.00	79.00	79.00
School District	185.00	165.00	165.00	165.00
Ambridge Borough				
Municipal	28.50	28.50	28.50	29.00
School District	53.00	51.00	49.00	47.00
Baden Borough				
Municipal	17.00	17.00	17.00	17.00
School District	53.00	51.00	49.50	47.00
Beaver Borough				
Municipal	16.50	14.50	14.50	14.50
School District	48.00	45.00	43.50	42.50
Bridgewater Borough				
Municipal	21.00	20.00	20.00	20.00
School District	48.00	45.00	43.50	42.50
Conway Borough				
Municipal	14.50	12.50	12.50	9.50
School District	36.00	36.00	36.00	36.00
Darlington Borough				
Municipal	7.40	7.40	7.40	7.40
School District	44.90	41.90	41.90	40.90
East Rochester Borough				
Municipal	17.00	17.00	17.00	14.00
School District	44.00	41.50	41.50	41.50

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
24.00	24.00	24.00	24.00	21.50	21.50
48.00	46.00	46.00	46.00	46.00	46.00
79.00	79.00	79.00	81.00	81.00	81.00
165.00	162.00	162.00	163.00	161.00	163.00
30.00	29.00	25.00	25.00	25.00	21.50
43.00	43.00	41.00	41.00	41.00	35.00
17.00	15.50	15.50	15.50	15.50	12.00
43.00	43.00	41.00	41.00	41.00	35.00
14.50	14.50	14.50	14.50	14.50	14.50
42.50	40.50	38.00	36.50	35.00	33.50
18.50	18.50	18.50	18.50	18.50	17.50
42.50	40.50	38.00	36.50	35.00	33.50
9.50	9.50	9.50	9.50	9.50	8.50
36.00	34.00	34.00	34.00	34.00	34.00
7.40	7.40	7.40	7.40	5.40	5.40
40.90	40.90	40.90	40.90	40.90	40.90
14.00	14.00	14.00	14.00	14.00	14.00
41.50	41.50	41.50	41.50	41.50	41.50

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)				
Eastvale Borough				
Municipal	20.00	20.00	18.00	18.00
School District	54.00	52.00	49.00	48.00
Ellwood City Borough				
Municipal	0.00	0.00	0.00	0.00
School District	0.00	0.00	0.00	0.00
Fallston Borough				
Municipal	12.00	12.00	12.00	12.00
School District	40.00	38.00	36.00	36.00
Frankfort Springs Borough				
Municipal	2.00	2.00	2.00	2.00
School District	34.00	28.00	28.00	40.00
Freedom Borough				
Municipal	19.75	19.75	17.75	17.75
School District	36.00	36.00	36.00	36.00
Georgetown Borough				
Municipal	4.00	4.00	4.00	4.00
School District	34.00	28.00	28.00	40.00
Glasgow Borough				
Municipal	10.00	10.00	10.00	10.00
School District	37.50	37.50	37.50	37.50
Homewood Borough				
Municipal	12.00	12.00	12.00	12.00
School District	54.00	52.00	49.00	48.00
Hookstown Borough				
Municipal	3.00	3.00	3.00	3.00
School District	34.00	28.00	28.00	40.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
18.00	18.00	18.00	18.00	18.00	13.00
48.00	46.00	46.00	46.00	46.00	46.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
12.00	12.00	10.00	10.00	10.00	10.00
36.00	36.00	36.00	36.00	38.00	38.00
2.00	2.00	2.00	2.00	2.00	2.00
40.00	36.00	36.00	36.00	32.00	30.00
17.75	15.75	15.75	15.75	15.75	15.75
36.00	34.00	34.00	34.00	34.00	34.00
4.00	4.00	4.00	4.00	4.00	4.00
40.00	36.00	36.00	36.00	32.00	30.00
10.00	10.00	10.00	10.00	10.00	10.00
37.50	37.50	37.50	37.50	37.50	37.50
12.00	12.00	12.00	10.00	10.00	10.00
48.00	46.00	46.00	46.00	46.00	46.00
3.00	3.00	3.00	3.00	3.00	3.00
40.00	36.00	36.00	36.00	32.00	30.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)				
Koppel Borough				
Municipal	12.00	12.00	12.00	12.00
School District	54.00	52.00	49.00	48.00
Midland Borough				
Municipal	26.50	26.50	26.50	26.50
School District	31.00	33.00	35.00	35.00
Monaca Borough				
Municipal	18.90	18.90	16.00	16.00
School District	42.00	42.00	40.00	40.00
New Brighton Borough				
Municipal	22.86	22.86	20.86	20.86
School District	40.00	38.00	36.00	36.00
New Galilee Borough				
Municipal	11.50	11.50	11.50	10.50
School District	54.00	52.00	49.00	48.00
Patterson Heights Borough				
Municipal	14.00	14.00	14.00	13.00
School District	44.90	41.90	41.90	40.90
Rochester Borough				
Municipal	27.00	25.50	25.50	23.50
School District	44.00	41.50	41.50	41.50
Shippingport Borough				
Municipal	1.00	1.00	1.00	39.00
School District	34.00	28.00	28.00	40.00
South Heights Borough				
Municipal	14.50	14.50	14.50	14.50
School District	53.00	51.00	49.50	47.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
12.00	12.00	10.00	10.00	7.00	7.00
48.00	46.00	46.00	46.00	46.00	46.00
26.50	26.50	26.50	26.50	23.75	20.00
35.00	33.00	33.00	33.00	33.00	37.00
16.00	14.70	14.70	14.70	14.70	14.70
40.00	38.50	38.50	38.50	38.50	34.00
20.86	20.25	20.25	20.25	20.25	18.25
36.00	36.00	36.00	36.00	38.00	38.00
10.50	13.00	8.00	7.00	7.00	7.00
48.00	46.00	46.00	46.00	46.00	46.00
13.00	13.00	13.00	13.00	11.00	11.00
40.90	40.90	40.90	40.90	40.90	40.90
23.50	20.50	20.50	19.00	19.00	17.00
41.50	41.50	41.50	41.50	41.50	41.50
0.39	0.39	0.39	0.39	0.39	0.39
40.00	36.00	36.00	36.00	32.00	30.00
14.50	11.50	11.50	11.50	11.50	11.50
43.00	43.00	41.00	41.00	41.00	35.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)				
West Mayfield Borough				
Municipal	12.25	12.25	12.25	12.25
School District	44.90	41.90	41.90	40.90
Big Beaver Borough				
Municipal	11.50	11.50	11.50	11.50
School District	54.00	52.00	49.00	48.00
Vanport Township				
Municipal	16.50	16.50	16.50	16.50
School District	48.00	45.00	43.50	42.50
Brighton Township				
Municipal	6.00	6.00	6.00	6.00
School District	48.00	45.00	43.50	42.50
Center Township				
Municipal	7.00	7.00	7.00	6.00
School District	43.10	43.10	43.10	40.60
Chippewa Township				
Municipal	10.00	10.00	10.00	9.00
School District	44.90	41.90	41.90	40.90
Darlington Township				
Municipal	5.00	5.00	6.00	8.00
School District	44.90	41.90	41.90	40.90
Daugherty Township				
Municipal	6.50	6.50	6.50	6.50
School District	40.00	38.00	36.00	36.00
Economy Borough				
Municipal	14.00	11.50	11.50	11.50
School District	53.00	51.00	49.50	47.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
12.25 40.90	12.25 40.90	12.25 40.90	12.25 40.90	11.00 40.90	11.00 40.90
11.50 48.00	10.00 46.00	10.00 46.00	9.00 46.00	9.00 46.00	9.00 46.00
16.50 42.50	16.50 40.50	16.50 38.00	16.50 36.50	16.50 35.00	16.50 33.50
5.00 42.50	5.00 40.50	5.00 38.00	5.00 36.50	4.00 35.00	4.00 33.50
6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60	4.52 36.60
9.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90
8.00 40.90	5.00 40.90	3.00 40.90	3.00 40.90	3.00 40.90	2.00 40.90
6.50 36.00	6.50 36.00	6.50 36.00	6.50 36.00	6.50 38.00	6.50 38.00
11.50 43.00	8.50 43.00	8.50 41.00	8.50 41.00	8.50 41.00	6.50 35.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)				
Franklin Township				
Municipal	5.00	5.00	5.00	5.00
School District	53.50	48.00	47.00	46.00
Greene Township				
Municipal	6.00	6.00	6.00	5.00
School District	34.00	28.00	28.00	40.00
Hanover Township				
Municipal	4.00	4.00	4.00	4.00
School District	34.00	28.00	28.00	40.00
Harmony Township				
Municipal	18.28	18.28	18.28	18.28
School District	53.00	51.00	49.50	47.00
Hopewell Township				
Municipal	10.00	10.00	10.00	9.00
School District	57.00	56.00	53.00	50.00
Independence Township				
Municipal	9.50	9.50	9.50	7.50
School District	57.00	56.00	53.00	50.00
Industry Borough				
Municipal	12.00	12.00	12.00	12.00
School District	37.50	37.50	37.50	37.50
Marion Township				
Municipal	3.50	3.50	2.50	2.50
School District	53.50	48.00	47.00	46.00
New Sewickley Township				
Municipal	8.50	7.50	7.50	8.25
School District	36.00	36.00	36.00	36.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
5.00 46.00	5.00 46.00	3.00 46.00	4.00 43.00	3.00 43.00	3.00 42.00
5.00 40.00	5.00 36.00	4.00 36.00	4.00 36.00	4.00 32.00	3.00 30.00
4.00 40.00	4.00 36.00	4.00 36.00	4.00 36.00	4.00 32.00	2.00 30.00
18.28 43.00	18.28 43.00	16.00 41.00	12.50 41.00	12.50 41.00	1.50 35.00
9.00 50.00	9.00 48.00	9.00 47.00	10.00 45.00	10.00 45.00	10.00 42.00
5.50 50.00	5.50 48.00	5.50 47.00	5.50 45.00	5.50 45.00	5.50 42.00
12.00 37.50	12.00 37.50	10.00 37.50	10.00 37.50	10.00 37.50	10.00 37.50
2.50 46.00	2.50 46.00	2.50 46.00	2.50 43.00	2.50 43.00	2.50 42.00
9.25 36.00	9.25 34.00	9.25 34.00	9.25 34.00	9.25 34.00	9.25 34.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

<u>Municipality and School District</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)				
North Sewickley Township				
Municipal	3.00	3.00	3.00	3.00
School District	53.50	48.00	47.00	46.00
Ohioville Borough				
Municipal	9.00	9.00	9.00	9.00
School District	37.50	37.50	37.50	37.50
Patterson Township				
Municipal	9.00	7.00	7.00	7.00
School District	44.90	41.90	41.90	40.90
Potter Township				
Municipal	7.00	7.00	7.00	7.00
School District	43.10	43.10	43.10	40.60
Pulaski Township				
Municipal	11.00	11.00	11.00	11.00
School District	40.00	38.00	36.00	36.00
Raccoon Township				
Municipal	7.50	5.50	5.50	4.00
School District	57.00	56.00	53.00	50.00
Rochester Township				
Municipal	20.382	15.38	15.38	13.88
School District	44.00	41.50	41.50	41.50
South Beaver Township				
Municipal	8.00	8.00	6.00	6.00
School District	44.90	41.90	41.90	40.90
White Township				
Municipal	14.00	14.00	14.00	14.00
School District	54.00	52.00	49.00	48.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
3.00 46.00	3.00 46.00	3.00 46.00	9.25 34.00	3.00 43.00	3.00 42.00
8.50 37.50	8.50 37.50	7.00 37.50	3.00 43.00	3.50 37.50	3.50 37.50
7.00 40.90	7.00 40.90	7.00 40.90	7.00 37.50	7.00 40.90	6.00 40.90
7.00 40.60	7.00 40.60	7.50 40.60	7.00 40.90	7.00 40.60	7.00 36.60
11.00 36.00	11.00 36.00	11.00 36.00	7.50 40.60	11.00 38.00	11.00 38.00
4.00 50.00	4.00 48.00	4.00 47.00	3.25 45.00	3.00 45.00	3.00 42.00
13.88 41.50	8.88 41.50	8.88 41.50	7.88 41.50	6.88 41.50	6.88 41.50
6.00 40.90	6.00 40.90	6.00 40.90	6.00 40.90	6.00 40.90	6.00 40.90
11.00 48.00	11.00 46.00	9.00 46.00	9.00 46.00	9.00 46.00	7.00 46.00

County of Beaver, Pennsylvania
Ratio of Net General Bonded Debt to Assessed Valuation
and Net Bonded Debt Per Capita
1993 - 2002

<u>Year</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable From Enterprise Fund</u>	<u>Net Bonded Debt</u>	<u>End of Year Assessed Valuation</u>
1993	\$ 27,271,815	\$ 6,805,000	\$ 20,466,815	\$ 1,769,642,634
1994	\$ 26,105,739	\$ 6,620,000	\$ 19,485,739	\$ 1,796,884,241
1995	\$ 24,631,596	\$ 6,425,000	\$ 18,206,596	\$ 1,882,671,309
1996	\$ 80,986,143	\$ 6,760,000	\$ 74,226,143	\$ 1,836,309,435
1997	\$ 83,606,277	\$ 6,480,000	\$ 77,126,277	\$ 1,844,607,914
1998	\$ 82,519,046	\$ 6,525,000	\$ 75,994,046	\$ 1,866,911,302
1999	\$ 81,081,664	\$ 6,250,000	\$ 74,831,664	\$ 1,883,258,077
2000	\$ 79,546,522	\$ 5,905,000	\$ 73,641,522	\$ 2,029,109,475
2001	\$ 77,899,699	\$ 5,540,000	\$ 72,359,699	\$ 2,028,251,318
2002	\$ 80,371,859	\$ 5,170,000	\$ 75,201,859	\$ 2,046,020,103

<u>Percentage of Net Debt to Assessed Valuation</u>	<u>Population</u>	<u>Net Debt Per Capita</u>
1.16%	188,722	\$ 108.45
1.08%	188,466	\$ 103.39
0.97%	187,979	\$ 96.85
4.04%	187,009	\$ 396.91
4.18%	186,000	\$ 414.66
4.07%	184,406	\$ 412.10
3.97%	182,687	\$ 409.62
3.63%	181,412	\$ 405.94
3.57%	182,687	\$ 396.09
3.68%	182,687	\$ 411.64

County of Beaver, Pennsylvania
Computation of Legal Debt Margin
December 31, 2002

Borrowing Base Revenues:

2000	\$ 41,817,365
2001	40,738,750
2002	<u>47,206,744</u>
Total revenues	<u>\$ 129,762,859</u>

Debt Limit For General Obligation Bonds:

Average borrowing base revenues	\$ 43,254,286
Debt Limit - 300% of average	129,762,859
Total amount of debt applicable to debt limit	<u>80,190,399</u>
Legal debt margin	<u>\$ 49,572,460</u>

Debt Limit For General Obligation Bonds and Lease Rental Debt:

Average borrowing base revenues	\$ 43,254,286
Debt Limit - 400% of average	173,017,145
Total amount of debt applicable to debt limit	<u>89,063,958</u>
Legal debt margin	<u>\$ 83,953,187</u>

County of Beaver, Pennsylvania
Ratio of Annual Debt Service for General Bonded Debt to Total
General Government Expenditures - Last Ten Years
1993-2002

Fiscal Year	Principal	Interest	Debt Service (1)	Total Expenditures	Ratio of Debt Service to General Expenditures
1993	\$ 1,050,000	\$ 625,779	\$ 1,675,779	\$ 58,224,695	2.9%
1994	\$ 1,255,000	\$ 759,807	\$ 2,014,807	\$ 62,265,476	3.2%
1995	\$ 1,305,000	\$ 709,608	\$ 2,014,608	\$ 67,162,629	3.0%
1996	\$ 1,370,000	\$ 650,883	\$ 2,020,883	\$ 70,228,691	2.9%
1997	\$ 1,435,000	\$3,765,252	\$ 5,200,252	\$ 80,043,974	6.5%
1998	\$ 1,505,000	\$3,307,778	\$ 4,812,778	\$ 84,604,450	5.6%
1999	\$ 1,565,000	\$3,618,895	\$ 5,183,895	\$ 101,397,679	5.1%
2000	\$ 1,625,000	\$3,556,295	\$ 5,181,295	\$ 119,021,924	4.4%
2001	\$ 1,735,000	\$3,487,240	\$ 5,222,240	\$ 112,638,891	4.6%
2002	\$ 1,905,000	\$3,447,171	\$ 5,352,171	\$ 129,972,296	4.1%

Notes:

Excludes General Obligation Bonds of the Enterprise Fund,
bond issue costs and accreted interest.

County of Beaver, Pennsylvania
Summary of Direct and Overlapping Debt
Year Ended December 31, 2002

County of Beaver(1).....	\$ 77,899,699
Various school districts and school district authorities(2).....	\$ 206,142,546
Various municipalities(3).....	<u>50,825,883</u>
Subtotal.....	<u>\$ 256,968,429</u>
 Total direct and overlapping debt.....	 <u>\$ 334,868,128</u>

RATIO TOTAL DIRECT AND OVERLAPPING DEBT

To assessed value.....	16.51%
To market value.....	8.26%
Per capita.....	\$ 1,845.90

Notes:

(1) NOTE I

(2) Under the Constitution of the Commonwealth of Pennsylvania, the Commonwealth is charged with the duty of supporting and maintaining an efficient public school system. In addition, the partial reimbursement that the Commonwealth provides for current year expenditures, it also fulfills its mandate by providing fiscal assistance for debt service and lease rental reimbursement. This figure is net of the Commonwealth's 36.04% subsidy.

Source: Individual school districts as of June 30, 2002.

(3) Source: Individual municipalities as of December 31, 2001

County of Beaver, Pennsylvania
Salaries of Principal Officials
For the Year Ended December 31, 2002

	<u>Salary</u>
<u>COMMISSIONERS</u>	
Donatella, Dan - Chairman	\$ 53,145
Camp, Charles	50,928
Albert, James	50,928
 <u>CONTROLLER</u>	
Towcimak, Richard W.	50,108
 <u>TREASURER</u>	
Javens, Connie T.	47,608
 <u>CLERK OF COURTS</u>	
Enslin, Judy R.	47,608
 <u>CORONER</u>	
Tatalovich, Wayne	47,608
 <u>DISTRICT ATTORNEY</u>	
Fouse, Dale	71,589
 <u>JURY COMMISSIONERS</u>	
Colella, Dorothy A.	11,072
Loxley, Nancy	11,072
 <u>PROTHONOTARY</u>	
Werme, Nancy	47,608
 <u>RECORDER OF DEEDS</u>	
Beall, Janice J.	47,608
 <u>REGISTER OF WILLS/CLERK OF ORPHANS' COURT</u>	
Fiorucci, Carol R.	49,608
 <u>SHERIFF</u>	
DeLuca Jr., Felix A.	47,608

County of Beaver, Pennsylvania
Demographic Statistics

Population of Beaver County

<u>Year</u>	<u>Population</u>	<u>Percentage Increase (Decrease)</u>
1960	206,948	N/A
1970	208,418	0.71%
1980	204,441	-1.91%
1990	186,093	-8.97%
2000	181,412	-2.52%
2001	182,687	0.70%

Source: U. S. Census: 1960,1970,1980,1990 and PA State Data Center, 2001

Beaver County Labor Force Data
1993 - 2002 Annual Average
(Data in Thousands)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate of Unemployment</u>
1993	85.3	78.7	6.6	7.7%
1994	84.6	78.9	5.7	6.7%
1995	84.2	79.1	5.1	6.0%
1996	84.5	80.0	4.2	5.0%
1997	85.5	81.2	4.4	5.1%
1998	85.7	81.2	4.5	5.3%
1999	85.6	81.5	4.1	4.8%
2000	85.0	81.4	3.6	4.3%
2001	86.6	82.2	4.4	5.1%
2002	88.1	82.5	5.6	6.4%

Source: Pennsylvania Department of Labor and Industry,
Bureau of Research and Statistics

N/A: Not Applicable

County of Beaver, Pennsylvania
Top Ten Real Estate Taxpayers
Year Ended December 31, 2002

<u>Taxpayers</u>	<u>2002 Assessed Valuation</u>	<u>Percentage of Total Assessment (1)</u>
Bruce Mansfield Plant	\$ 157,028,950	7.67%
Beaver Valley #2	134,441,431	6.57%
Pittsburgh National Bank, Trustee for Beaver Valley Mall - excludes Kaufmann's Department Store	27,882,500	1.36%
United States Gypsum	15,218,050	0.74%
Horsehead Industries	13,074,300	0.64%
PA Northern Lights Shoppers City	10,378,700	0.51%
Lowes	10,292,100	0.50%
NOVA	9,600,000	0.47%
Koppel Steel (Ambridge & Koppel)	9,496,500	0.47%
Gypsum Plant (Shippingport)	8,598,900	0.43%
	<u>\$ 396,011,431</u>	<u>19.36%</u>

(1) Total County of Beaver Actual Assessed Valuation: \$ 2,046,020,103

Source: Beaver County Board of Property Assessment

County of Beaver, Pennsylvania
Property Value, Nonresidential and Residential Construction, and Bank Deposits
Last Ten Years
1993 - 2002

Fiscal Year	End of Year Actual Assessed Valuation	Nonresidential Construction Contract Awards		Residential Building Permits		Bank Deposits (In Millions)
		Number of Projects	Value in 000's	Number of Units	Value in 000's	
1993	\$ 1,799,642,634	504	\$102,656	420	\$39,606	\$ 560,915
1994	\$ 1,796,884,241	455	\$ 98,424	473	\$44,693	\$ 606,682
1995	\$ 1,822,671,309	393	\$100,964	373	\$32,951	\$ 647,208
1996	\$ 1,836,309,435	360	\$182,904	333	\$32,314	\$ 686,904
1997	\$ 1,844,607,919	382	\$ 71,789	325	\$41,102	\$ 752,216
1998	\$ 1,866,911,302	441	\$150,019	364	\$45,219	\$ 367,211
1999	\$ 1,884,621,372	438	\$162,767	358	\$45,705	\$ 391,932
2000	\$ 2,029,109,475	451	\$118,362	430	\$54,476	\$ 416,335
2001	\$ 2,028,251,318	372	\$112,777	345	\$45,596	\$ 288,300
2002	\$ 2,046,020,103	365	\$ 87,184	344	\$49,239	\$ 301,996

Sources: F.W. Dodge Division of McGraw Hill - Residential and Nonresidential Statistics
Federal Reserve Bank of Cleveland - Bank Deposits

County of Beaver, Pennsylvania
Miscellaneous Statistical Data
December 31, 2002

<u>Date of County Organization:</u>	March 12, 1800
<u>Form of Government:</u>	Board of Commissioners

<u>Area in Square Miles:</u>	441
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Elections:

Number of registered voters	105,451
Number of votes cast in last general election	55,434
Percentage of registered voters voting in last general election	52.57%

Recreation (County Owned and Operated)

Parks - number of acres	2517
- number of facilities	3
Number of tennis courts	16
Number of ball fields	9
Number of swimming pools	1
Number of ice skating rinks	1
Number of soccer fields	1
Number of shooting ranges	4
Number of bike trails	2
Number of Horse riding trails	2
Number of walking and jogging trails	2
Number of lakes (stocked for fishing)	1

Full and Part-Time Employees (as of December 31, 2001)

Full-time	1,387
Part-time	464
Total	1,851

Miles of Roads

Miles paved	20
Lane miles	40

Number of Bridges

Between 8 feet and 20 feet	18
20 feet and over	39
Total	57

Source: Various County Departments

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